

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Pakistan	Project Title:	Punjab Intermediate Cities Improvement Investment Project
Lending/Financing Modality:	Project	Department/Division:	Central and West Asia Department Urban Development and Water Division

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Poverty targeting: General intervention

A. Links to the National Poverty Reduction and Inclusive Growth Strategy and Country Partnership Strategy

The proposed project will benefit about 1.4 million people in Sahiwal and Sialkot cities, of which 29.5% are estimated to be poor. Pakistan adopted the Poverty Reduction Strategy Paper¹ (PRSP) approach in 2002 and issued the PRSP II in 2007 to strengthen inclusive growth and poverty reduction. The Government of Pakistan initiated social assistance programs in the 1980s—Zakat in 1983, Pakistan *Bait-ul-Mall* in 1992, and the largest, the Benazir Income Support program in 2009—as major steps to poverty reduction. Pakistan achieved the Millennium Development Goal target of poverty reduction, cutting it from 64.3% in 2002 to 29.5% in 2014.

The PRSP emphasizes poverty reduction, human development, and the provision of social safety nets. Vision 2025 focuses on inclusive growth and poverty eradication. Strategies for Vision 2025 are linked with the Sustainable Development Goals, and Pakistan aims to achieve the goals before the target date of 2030.² The Asian Development Bank (ADB) country partnership strategy for Pakistan, 2015–2019 is aligned with the government priorities on poverty reduction and inclusive growth. The country partnership strategy identifies water and other urban infrastructure and services as one of the six priority sectors selected for assistance.

The proposed project is expected to contribute to poverty reduction in the two cities through (i) improved water supply and sanitation services, which will reduce the incidence of waterborne diseases and, thereby, household health expenses (including low-income households); (ii) upgraded road infrastructure, including well-lit pedestrian walkways and space for small vendors, which will largely benefit the poor and low-income groups; (iii) increased functionality of public spaces and bus terminals, which will provide economic opportunities for small vendors and increase the use of outdoor spaces for healthy activities; (iv) increased public awareness of hygiene and waterborne diseases; and (v) additional employment opportunities for local labor during the construction and operation of the project facilities.

B. Results from the Poverty and Social Analysis during PPTA or Due Diligence

1. Key poverty and social issues. The proposed project will benefit about 1.4 million people in Sahiwal and Sialkot cities, of which 29.5% are estimated to be poor. The delivery of municipal services, irrespective of socio-economic status, is largely unsatisfactory. Punjab's cities provide piped water to only 45% of their residents while more than half of the sewage flows in open drains and is discharged untreated into natural water bodies or onto agricultural lands. Poor public transport and inadequate street management constrain urban mobility. Much of the cities' daily economic activity takes place along narrow inner city streets competing with buses, cars, motorcycles, and pedestrians. Solid waste management is inefficient, with inadequate coverage, and the cities have no adequate landfill site. Access to clean water, basic sanitation facilities, and good hygiene practices is essential for sustainable urban development. Without these basic services, the lives of millions of people, children and poor in particular, are at risk.

2. Beneficiaries. Project will benefit about 1.4 million people in Sahiwal and Sialkot cities.

3. Impact channels. Improvement in water supply and sanitation (including the safe disposal of wastewater after treatment), solid waste management, and the efficient flow of inter- and intra-urban traffic will reduce the morbidity and health expenses of the households, and improve the quality of life. This will result in increased productivity and income levels of households. Improvement in urban transport will facilitate physical mobility and time saving. Improved urban spaces will provide economic benefits from damages avoided owing to the reduction of flood risks with riverbank improvement and annual rental price increases from the use of land surrounding the greenbelts and parks.

4. Other social and poverty issues. Sialkot has the highest net primary school enrollment rate in Punjab (91%); Sahiwal has 72% enrollment, and ranks 24th in the province. The unemployment rate is 6.6% in Sialkot and 20.6% in Sahiwal,³ far above the national average of 6.0%. Women have almost no employment opportunities, except in education and health sectors.

5. Design features. Access to clean water and sanitation is vital to all residents irrespective of socioeconomic status. Civil works (e.g., connection to water pipe and borehole constructions) will however specifically target poor and vulnerable groups when feasible.

¹ Government of Pakistan, Finance Division. 2009. *Poverty Reduction Strategy Paper (PRSP) – II*. Islamabad.

² Government of Pakistan, Planning Commission. 2013. *Pakistan 2025: One Nation–One Vision*. Islamabad.

³ Pre-feasibility study (Sialkot and Sahiwal) under ADB. 2014. *Technical Assistance to Pakistan for the Punjab Intermediate Cities Improvement Investment Program*. Manila (TA8683-PAK).

<p>2. Strategy to address the impacts. Mitigation measures include payment for all entitlements at replacement value. LARPs will be implemented by project implementation unit at the city level under the guidance of the city governments of Sahiwal and Sialkot. A grievance redress committee will manage the complaints and a compensation payment mechanism, when applicable, will be announced by the project management unit.</p> <p>3. Plan or other Actions.</p> <p><input checked="" type="checkbox"/> Resettlement plan <input type="checkbox"/> Combined resettlement and indigenous peoples plan</p> <p><input checked="" type="checkbox"/> Resettlement framework <input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework</p> <p><input checked="" type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> Social impact matrix</p> <p><input type="checkbox"/> No action</p>	
<p>B. Indigenous Peoples Safeguard Category: <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Key impacts. No indigenous people reside in the project area. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>2. Strategy to address the impacts. No indigenous people reside in the project area.</p> <p>3. Plan or other actions.</p> <p><input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Combined resettlement plan and indigenous peoples plan</p> <p><input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework</p> <p><input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary</p> <p><input type="checkbox"/> Social impact matrix</p> <p><input checked="" type="checkbox"/> No action</p>	
V. ADDRESSING OTHER SOCIAL RISKS	
<p>A. Risks in the Labor Market</p> <p>1. Relevance of the project for the country's or region's or sector's labor market, indicated as high (H), medium (M), and low or not significant (L). <input type="checkbox"/> [L] unemployment <input type="checkbox"/> [L] underemployment <input type="checkbox"/> [L] retrenchment <input type="checkbox"/> [L] core labor standards</p> <p>2. Labor market impact: The project will have no adverse impact on the labor market. It may provide more jobs because of infrastructure development, extension of services, and management of utilities. No retrenchment risks are envisaged. Core labor standards are not fully addressed in many private sector entities in the country.</p>	
<p>B. Affordability</p> <p>Based on PPTA assessments and consultations with stakeholders, the PPTA technical team estimates that 20% of households in Sahiwal and 80% of households in Sialkot pay some form of service charge, but service charge collections are not consistent. About 50% of households in Sahiwal and 80% of households in Sialkot are willing to pay for urban services (water etc.) if the quality of services improves.</p>	
<p>C. Communicable Diseases and Other Social Risks</p> <p>1. The impact of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA): <input type="checkbox"/> [NA] Communicable diseases <input type="checkbox"/> [NA] Human trafficking <input type="checkbox"/> Others (please specify)</p> <p>2. Risks to people in project area. All environmental and social safeguards will be implemented and the project will not create any risks for people.</p>	
VI. MONITORING AND EVALUATION	
<p>1. Targets and indicators. The project aims to achieve the following key pro-poor and gender inclusive targets: (i) Output 1: Water supply systems improved. This will be achieved through the installation and rehabilitation of 114 boreholes and tube wells; 22 water reservoirs; 20 water pumping stations; about 350 kilometers (km) of water pipes; up to 15,000 metered customer connections, of which 1,400 will be prepaid meters on a pilot basis; and new supervisory control and data administration (SCADA) systems; (ii) Output 2: Sanitation systems improved. This will be achieved through the installation and rehabilitation of 18 sewage pumping stations, replacement of about 40 km of sewer pipes, provision of equipment for wastewater management, unblocking of local drains, and construction of a centralized wastewater treatment plant. Equipment will be procured for improved collection and segregation of solid wastes; and (iii) Output 3: Urban public spaces improved. This will be achieved through the rehabilitation of 11 parks, 7 km of greenbelts, major streets, footpaths, riverbank paths, and three bus terminals that are critical hubs for regional transport systems. Local shops, vendors, and companies will expand new business opportunities with the upgraded facilities. A total of 12 monitoring indicators have been agreed with the executing agency. Annual report of the project will report the progress based on the above 12 monitoring indicators.</p> <p>2. Required human resources. Seventeen staff each in project management unit and two city implementation units or a total of 51 staff will be recruited for the project implementation. The government has allocated the budget for the recruitment of the above staff.</p> <p>3. Information in the project administration manual. The project administration manual includes implementation arrangements and reporting requirements on social, environment, gender, and poverty-related impacts.</p> <p>4. Monitoring tools. Periodic project progress reports, midterm reports and project completion reports.</p>	

Source: Asian Development Bank.