

Project Administration Manual

Project Number: 47021-002

Loan Number:

17 November 2014

Islamic Republic of Pakistan: FATA Water
Resources Development Project

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Project Administration Manual Purpose and Process

The Project Administration Manual (PAM) describes the essential administrative and management requirements to implement the proposed loan Project on time, within the budget, and in accordance with Government and Asian Development Bank (ADB) policies and procedures. The PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

The FATA Secretariat is responsible for implementation of the ADB financed project in accordance with the Government and ADB's policies and procedures as agreed jointly between the Borrower and the ADB. ADB staff will provide support during implementation including compliance by the FATA Secretariat of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At loan negotiations, the Borrower and ADB shall agree to the PAM and ensure consistency with the Loan Agreement. Such agreement shall be reflected in the minutes of the Loan Negotiations. In the event of any discrepancy or contradiction between the PAM and the Loan Agreement, the provisions of the Loan Agreement shall prevail.

After ADB Board Approval of the Project's Report and Recommendations of the President (RRP), changes in implementation arrangements are subject to agreement and approval pursuant to relevant Government and ADB administrative procedures (including the Project Administration Instructions [PAIs]) and upon such approval they will be subsequently incorporated in the PAM.

ABBREVIATIONS

ADB	Asian Development Bank
ADP	Annual Development Program
APA	Assistant Political Agent
CO	Community Organization
EC	Electrical Conductivity
EIRR	economic internal rate of return
EMP	Environmental Management Plan
EPA	Environmental Protection Agency
FRDP	FATA Rural Development Project
FWRDP	FATA Water Resources Development Project
ha	Hectare
mcm	Million Cubic Meter
NCB	National Competitive Bidding
OFWM	On-Farm Water Management
PA	Political Agent
PC-1	Planning Commission Pro-forma 1
PAM	Project Administration Manual
PMU	Project Management Unit
PIUs	Project Implementation Units
TOP	Terms of Partnership
TOR	Terms of Reference

I. PROJECT DESCRIPTION

1. The Federally Administered Tribal Areas Water Resources Development Project (FWRDP) will address low farm productivity, high poverty incidence, and pervasive food insecurity in the Federally Administered Tribal Areas (FATA) by increasing agriculture production and household incomes through the provision of a reliable supply of irrigation water to non-irrigated farm lands and through development of irrigation systems on rain fed and non-cultivated lands. The project includes the construction of new irrigation infrastructure, improved on-farm water management through support for activities such as construction of lined watercourses, terracing and land leveling, and watershed management. FWRDP will also strengthen the region's natural resource base by improving select watersheds, enhance recharging of underground aquifers and reduce the impact of floods, and result in more efficient use of scarce water resources. The project will benefit 116,751 households or approximately 1.4 million people in the project area and improve around 9,700 hectares (ha) of land.

2. FATA is located along Pakistan's northwestern border with Afghanistan and is spread over an area of 27,220 km² or 3.4% of the country's land mass. It consists of seven agencies (Bajaur, Mohmand, Khyber, Kurram, Orakzai and North and South Waziristan) and six bordering frontier regions.¹ FATA has a population of approximately 4.3 million, which represents about 2.4% of Pakistan's total population.² It is one of the most underdeveloped regions of Pakistan and its inhabitants are among the poorest in the country. The population is poorly educated, lacks access to adequate health care, and is deprived of basic services such as potable water and sanitation. The Project area consists of three FATA agencies, namely Bajaur, Mohmand and Khyber (Figure 1). The three agencies have an estimated population of 2.65 million (2013) residing in 1,396 settlements. Basic socioeconomic data are provided in Table 1.

Table 1: Social and Physical Characteristics of FATA

Socioeconomic Indicators	Pakistan	FATA
Total Population (000 persons)	178,910	4,285
Literacy Rate (%)	58.0	21.4
Male Literacy Rate (%)	69.0	33.8
Female Literacy Rate (%)	46.0	7.5
Population per Doctor	1,206	6,728
Average Household Size	7.4	11.8
Area (km ²)	796,096	27,220
Total Number of Farms (000)	6,620	260
Irrigated Area (million hectare)	18.67	0.09
Total Forested Area (million hectare)	4.26	0.04

Source: Bureau of Statistics (FATA Cell) Planning & Development Department FATA Secretariat - 2011-2012

3. The vast majority of FATA's population resides in rural areas and are dependent on agriculture, including livestock, and the natural resource base for their livelihood. Farm sizes in the project area vary from less than 1.0 acre to more than 150.0 acres; however most farms are 2.5 acres or less and are nearly all owner-managed. Two distinct types of farming systems characterize agriculture in FATA. They are rain fed or *Barani* subsistence-level agriculture that produces food staples -- wheat and maize as the major summer and winter crops, respectively,

¹ The six frontier regions are comprised of Bannu, Dera Ismael Khan, Kohat, Lakki, Peshawar and Tank.

² Government of Pakistan, Bureau of Statistics (FATA Cell), Planning and Development Department, FATA Secretariat. 2012. *FATA Development Statistics 2012*. Peshawar.

and the more stable and productive irrigated agriculture, which enables farmers to earn higher incomes by expanding production beyond food staples into higher value horticultural crops, including vegetables.

4. An important Water Assessment Study (the Study) was prepared under the FATA Rural Development Project (FRDP) to assess the surface and ground water potential in the 44 watersheds of the project area.³ The Study noted that rainfall in the project area is scanty and that most of the rainfall converts into flash floods that flow into four rivers and their tributaries that traverse the project area. These include (i) Panjkora River in Bajaur Agency; (ii) Bara River in Khyber Agency; (iii) Kabul River at the border of Khyber and Mohmand agencies; and (iv) the Swat River in Mohmand Agency. The Study analyzed 30 years of rain fall data, which varies from 295 mm to 1048 mm in the project area annually. It noted that surface runoff varies from watershed to watershed depending upon the area of the watershed, its topography, soil type, soil cover and rainfall intensity. Based on this the Study estimated that runoff ranges from 2% to 21% of the annual rainfall volume.

5. Irrigated agriculture in FATA relies predominantly on groundwater abstracted by tube wells, dug wells and open wells; surface water utilization is low. Poor water resources management has become a major challenge to increasing agriculture productivity, which undermines efforts to improve the socioeconomic condition of FATA's inhabitants. The main problems faced by the water sector are: (i) most of the surface runoff generated in the project area drains out due to lack of infrastructure for utilizing this resource for productive purposes; (ii) depletion of aquifers due to overexploitation of groundwater in all watersheds for irrigation and domestic use. There is a need to shift from groundwater to surface water as the main source of water for irrigation; (iii) since most of FATA lies in arid and semi-arid zones, the area receives little precipitation throughout the year, which lowers the recharge rate of the subsoil aquifer, and reduces both the water table and the quantity available from surface sources; (iv) lack of infrastructure to store runoff and conserve the seasonal flows in the streams to provide a regular supply of irrigation water; (v) lack of rain and stream gauges to measure the quantity of water and seasonal variations; and (vi) the absence of effective on-farm water management practices.

6. Various factors such as poor water resource management, extensive deforestation and over grazing of rangelands have put immense pressure and stresses on FATA's watersheds. Their degraded condition has increased runoff and resulted in high soil erosion. In the absence of proper tree and vegetation cover, the run off leads to flash floods that often destroy the productive agricultural land in the valley bottom. This steadily worsening situation has severe repercussions for the overall sustainability and viability of the resource base of the watersheds, and thereby on the region's population the majority of which are dependent on this resource base for their livelihoods. Increasing tree cover and the construction of check dams (where appropriate), will strengthen the watersheds, reduce land erosion and the frequency and impact of flash floods, and improve water availability through replenishment of the aquifers.

7. For appropriate monitoring and management of surface water resources in FATA, it is essential to measure surface water flows on a regular basis, along with rainfall in the project area. Data collected through a network of rain and stream gauges are required to guide development and management of surface water resources. The project area is deficient in this regard. There are no functional stream gauges, and the very few existing rain gauges are not installed in suitable locations to provide valuable data. There are presently seven rain gauges in

³ ADB. 2006. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to the Islamic Republic of Pakistan for the Federally Administered Tribal Areas Rural Development Project*. Manila

the three project agencies, four installed by the Agriculture Department and three by the Pakistan Meteorological Department. Five of these are in Khyber Agency and one each in Bajaur and Mohmand Agencies; however, none are in the project area.

8. The project scope is based on recommendations of the FRDP Water Assessment Study. The study recommended that (i) investment decisions on the water sector in the project area should be based on the water balance of watersheds provided in the study, and (ii) there should be a shift from groundwater to surface water exploitation. It identified the potential for developing surface water resources for irrigation and other uses, and integrating it with watershed management and command area development to ensure sustainable use of the resources without degrading the watersheds. The study proposed sites for small reservoirs/dams and diversion weirs in 44 watersheds in the project area in order to bring new land under irrigation along with improved watershed management.

9. Lessons from FRDP and water resources projects have informed the project design and selection of interventions. Lessons suggest that instead of very costly water resources interventions, very simple and small irrigation schemes that can be maintained and operated by the communities should be undertaken. Many of the earlier schemes in FATA did not perform well due to inadequate funding for the operation and maintenance of the newly constructed sub-projects and lack of community ownership and participation in design and implementation, and post construction operation and management of the irrigation network and command area infrastructure. A key lesson is the need to support command area development along with investments in water resources infrastructure to ensure the expected economic benefits actually materialize. Another important lesson is the need to define strict sub-project selection criteria and to build rigorous administrative and financial controls into the implementation process. The involvement of beneficiaries in the project through effective social mobilization was critical to the success of FRDP.

10. The proposed loan is included in the Pakistan Country Operations Business Plan (COBP) 2014-2016, and consistent with the Interim Country Partnership Strategy for Pakistan, 2014-2015,⁴ which prioritizes improving the country's irrigation infrastructure. The project is line with the midterm review of Strategy 2020⁵ and the ADB water operational plan.⁶ ADB's agriculture sector evaluation (2006) for Pakistan emphasized improving water resources and irrigation.⁷ The FATA Sustainable Development Plan 2007-2015 (SDP) aims to ensure the optimal and equitable use, and sustainable management of existing water resources to bring more land under irrigated agriculture.⁸ This would be achieved through (i) creating efficient management systems for water sources and infrastructure; (ii) conserving and recharging groundwater aquifers; (iii) harnessing seasonal runoff to provide additional sources for irrigation; (iv) harvesting surface water for irrigation; and (v) scaling up efficient irrigation systems. The Federal Government's new Vision 2025 includes water and food security among its core pillars with the aim to reduce the food insecure population from 60% to 30%, and to increase access to

⁴ ADB. 2014. *Interim Country Partnership Strategy: Pakistan 2014-2015*. Manila.

⁵ ADB. 2014. *Midterm Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and Pacific*. Manila

⁶ ADB. 2012. *Water Operational Plan 2011-2020*. Manila.

⁷ ADB. 2006. *Sector Assistance Program Evaluation: Evaluation of the Agriculture and Natural Resources Management Sector*. Manila.

⁸ Government of Pakistan, Planning and Development Department, Civil Secretariat (FATA). 2006. *FATA Sustainable Development Plan 2007-2015*. Peshawar.

an adequate supply of water for agriculture for the sustainable and equitable development of the country.⁹

Impact and Outcome

11. The project impact will be increased farm incomes in the project area thereby reducing poverty and increasing household food security. The project outcome will be improved agricultural productivity of selected watersheds and their associated natural resource base.

Outputs

12. Project outputs include (i) construction of new irrigation infrastructure, including nine small concrete gravity dams with a maximum height of 15 meters each, 31 diversion weirs, and 95 kilometers of main and secondary irrigation channels to provide a reliable and uninterrupted supply of irrigation water throughout the year; (ii) improved on-farm management through construction of 144 kilometers of lined (concrete) watercourses, terracing and land leveling on a command area of 4,615 ha, along with installation of rain and stream gauges to measure water availability; (iii) improved watershed management on 5,050 ha through afforestation of the degraded watersheds and, where appropriate, construction of check dams to reduce or stop soil erosion; and (iv) efficient project management and evaluation, including establishment of project management and project implementation units, timely procurement of goods, works, and recruitment of consulting services, appropriate financial management, and successful project implementation.

13. The project was developed from the potential sites of sub-projects identified in the water assessment study prepared under the FRDP. Out of an initial list of 49 sub-projects, 40 were selected for financing. Criteria followed for selection of the sub-projects are provided in Annex 1. The top ranked sub-project in each agency was selected as a pilot sub-project. Feasibility studies and detailed designs were prepared for three pilot sub-projects: Jay Dam in Khyber Agency; Kharkai Weir in Bajaur Agency; and Shangade Dam in Mohmand Agency. Feasibility studies, including detailed designs, were prepared for three pilot subprojects: Jay Dam in Mohmand Agency, Kharkai Weir in Bajaur Agency, and Shangade Dam in Khyber Agency. The location of the three sub-projects is shown in Figure 2. Surface water availability and project outputs by agency are described below.¹⁰

(a) Bajaur Agency

14. Total surface water available in the 15 watersheds in Bajaur Agency for an average year totals about 291.8 million cubic meters (mcm), of which 87.5 mcm is diverted for irrigation purposes. About 204.3 mcm flows out of the agency, including 128 mcm (63%) from perennial sources and 76 mcm (37%) runoff generated from rainfall. Based on this, about 70% of surface water, which flows out of the agency's watersheds, can be utilized within the agency for irrigation and other purposes. Accordingly, the project will construct 22 weirs with an average height of 1.5-2.0 meters, 60 km of lined irrigation channels to irrigate 2,816 ha of land, and

⁹ Planning Commission, Ministry of Planning, Development and Reform, Government of Pakistan. 2014. *Pakistan 2025: One Nation – One Vision*. Islamabad

¹⁰Information on surface water availability in the three agencies is taken from the 2010 Water Assessment Study and Management Plan: Bajaur, Khyber and Mohmand, Volume 1 Main Report prepared under the ADB-funded FATA Rural Development Project.

plantation on 3,159 ha to improve watershed management in the catchment areas of the sub-projects.

(b) Khyber Agency

15. Surface water available in the 14 watersheds of Khyber Agency is about 802.5 mcm, out of which 385.3 mcm is already being used for irrigation and about 417 mcm flows out into the Indus river system. Most of this water is runoff generated from rainfall. More than half of the water flows out of the agency and can be utilized within the agency. The Water Assessment study proposed 24 small dams for construction in the agency. Accordingly, the project will construct four dams, two weirs where the perennial supply is available, 83 km of lined irrigation channels to irrigate 1079 ha of land, and plantation on 1,134 ha to improve watershed management in the catchment areas of the sub-projects.

(c) Mohmand Agency

16. In Mohmand Agency, total surface water available from 15 watersheds for an average year is about 174.6 mcm, out of which 63 mcm is being utilized and 111.6 mcm flows out of the agency. The water flowing out of the agency is mostly runoff generated from rainfall, which can be utilized within the agency. All 15 watersheds of Mohmand Agency lie within the semi-arid climatic zone and as such receive low rainfall resulting in smaller runoff. In order to trap the available surface water potential 19 small dams have been recommended for construction. Accordingly, the project will construct five dams, seven weirs where the perennial supply is available, 96 km of lined irrigation channels to irrigate 720 ha of land, and plantation on 757 ha to improve watershed management in the catchment areas of the sub-projects.

17. Technical features of the sub-projects are based on topographic surveys, hydrology and geology of the sites, soil and agriculture studies (including cropping patterns and crop water requirements), and include watershed management plans. Geo-technical considerations and an assessment of availability of local construction material concluded that concrete gravity dams would be appropriate; the weirs will be concrete structures. The dams will have a maximum height of 15 meters and a life of at least 50 years. The dams and weirs will also contribute to recharging the underground aquifer and the dams will protect the downstream population from the damaging effects of floods. The irrigation channels and watercourses will be lined both to reduce conveyance losses and to ensure equity in the system, as was successfully implemented under the FRDP. Preparation of the remaining feasibility studies will be modeled on the approach the pilot sub-projects. The complete list of sub-projects by Agency is in Annex 2.

18. Construction of the storage/dams and weir sub-projects will be undertaken in two phases. The storage/dam sub-projects will be completed in 18 months, while the weir sub-projects will be completed in 12 months. The first phase consists of geotechnical investigations; the second phase includes design review followed by construction of the dam or weir (foundation preparation, main dam or weir embankment, ogee shaped spillway with stilling basin, intake and outlet structures), and the irrigation system. Construction of the irrigation system will take place after construction of intake and gate valve structures. This activity will run parallel to other activities onwards till final completion of main dam and other appurtenant structures. Once the main irrigation channel has been completed, construction of the field channels, whose design and layout would have been approved by the communities, will be undertaken. The dam, weirs and their associated structures will be commissioned on completion

of all construction activities and by starting the filling up of the storage reservoir or by starting the perennial flow diversion of the weir.

19. Operation and maintenance of the completed works and plantations after project completion will be the responsibility of beneficiaries and the line departments. Prior to construction of each sub-project, the beneficiaries will be asked to enter a partnership agreement and O&M cost sharing arrangements with the Agency. As part of this, it is envisioned that the formation of a village-based organization would be formed based on the methodology adopted under the World Bank's On-Farm Water Management Project. The Government would be responsible for the O&M of the sub-projects that are under their control; such as dams—subprojects that are too large to be managed by the beneficiaries. The FATA Secretariat, through its Irrigation Department, will carry out at least four inspections each year of the dam and its appurtenant structures. Repairs to the dams and appurtenant structures will be carried out by the Irrigation Department, using its own maintenance and rehabilitation funds. For sub-projects involving the construction of a weir or irrigation channels, the communities will be responsible for the operation and routine maintenance those structures. However, the Irrigation Department will be responsible for any major repairs to those structures. However, where major repairs are involved the Irrigation Department will be responsible for repair/rehabilitation of such structures.

Project Implementation

20. The FATA Secretariat is the project's executing agency (EA). It will establish a project management unit (PMU) in the Planning and Development Department of the FATA Secretariat. The PMU will (i) be responsible for sub-project preparation including feasibility studies; (ii) monitor implementation of all project activities; (iii) undertake all procurement activities; (iv) coordinate and monitor the required civil works and project facilities; (v) undertake financial accounting and reporting; and (vi) ensure the project is implemented in compliance with ADB Safeguard policies and procedures. Project implementation units (PIU) will be established in each of the three Agencies for execution of the project at agency level. The three PIUs will have core staff comprised of a project manager assisted by account and administration officer, monitoring and evaluation coordinator, and social organizers. Project implementing agencies include the Directorate of Irrigation, which will be responsible for the improved irrigation infrastructure and on-farm management components with the latter effort supported by the Department of Agriculture, and the Department of Forests, which will be responsible for the watershed management component. The IAs will coordinate with the PMU and PIUs to ensure project activities are reflected in their annual work plans, along with requisite financial and human resources.

21. Community organizations (CO), including those established under FRDP, will be key partners in the Project. The COs will enter into Terms of Partnership (TOPs) with the FATA Secretariat for the preparation and implementation of all sub-projects to be financed under the project. Such TOPs were already signed with COs for the three pilot sub-projects, and are the model to be followed for subsequent sub-projects. For each proposed sub-project it is essential that the TOPs are signed by the relevant CO and approved by the Political Administration of the respective Agency before starting any sub-project activity.

22. The following table lists the staffing of the Peshawar-based project management unit and the three agency-based project implementation units.

Table 3: Project Management Staffing

Project Management Unit	Grade Level
Project Director	19
Deputy Director, Engineering Design	18
Deputy Director, Procurement & Contract Management	18
Deputy Director, Finance And Administration	18
Deputy Director, Monitoring And Evaluation	18
Resettlement Officer	17
Environment Officer	17
Monitoring And Evaluation Officer	17
Social Development/GAD Officer	17
GIS Officer	17
MIS Officer	17
IT Officer	17
Finance Officer	17
Accounts Officer	17
Accounts Assistant (2)	16
Various Support Staff	--
Project Implementation Units (3)	
Project Manager	18
Monitoring & Evaluation Coordinator	17
Social Organizer	17
Manager Finance & Admin	17
Infrastructure Engineer	17
Quality Control Engineer	17
Various Support Staff	--

23. A Project Steering Committee (PSC), headed by the Additional Chief Secretary, FATA Secretariat, has already been established and will provide policy guidance and monitor overall project performance and progress. The membership of the PSC includes the Secretary, P&D, FATA Secretariat; Secretary Finance, FATA Secretariat; Director General Projects, FATA Secretariat, Representative of SAFRON Division, Government of Pakistan, Islamabad; Representative of Planning & Development Division, Government of Pakistan, Islamabad; PAs of Khyber Agency, Bajaur Agency, and Mohmand Agency; and representatives of all concerned line departments. The Project Director will participate as PSC Member cum Secretary. The PSC will meet at least twice a year, or more frequently, whenever issues requiring resolution are submitted for its consideration. The PSC would consider the following in its meetings: (i) Provide policy guidelines and advise implementing units as to how issues affect implementation and can be overcome; (ii) review physical and financial progress reports, evaluate outcomes including those relating to social and environmental safeguards and ensure that the various agreed actions are taken in a timely manner; and (iii) ensure compliance with loan covenants.

II. IMPLEMENTATION PLAN

A. FWRDP Readiness Activities

Indicative Activities	2014									2015						Responsible Party
	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Feasibility Studies and Detailed Designs of 3 Pilot Sub-Projects prepared	X	X														FATA Secretariat, ADB
Draft bid documents and invitation for bids prepared	X	X														FATA Secretariat, Project Management Unit (PMU)
Draft bid documents and invitation for bids finalized								X	X							Project Management Unit (PMU), ADB
Review and Approval of PC-1						X	X									FATA Secretariat, Ministry of SAFRON and Min. of Planning
Establishment of PMU & PIUs												X	X	X		FATA Secretariat
Recruitment of Design and construction supervision consultants initiated												X				FATA Secretariat, Project Management Unit (PMU)
Finalized Safeguard documents				X	X											FATA Secretariat, ADB
ADB Board approval									X							ADB
Loan signing											X					ADB, EAD
Government legal opinion provided											X					FATA Secretariat, Ministry of SAFRON, Law Division, EAD
Counterpart funds request included in Government Budget			X												X	FATA Secretariat, Min. of Planning
Loan effectiveness												X				ADB, EAD

ADB=Asian Development Bank; EAD=Economic Affairs Division; FATA=Federally Administered Tribal Areas; FWRDP=FATA Water Resources Development Project; PC-1=Planning Commission Proforma 1; PMU=project management unit; SAFRON=States and Frontier Regions.

III. PROJECT MANAGEMENT ARRANGEMENTS

A. FWRDP Implementation Organizations – Roles and Responsibilities

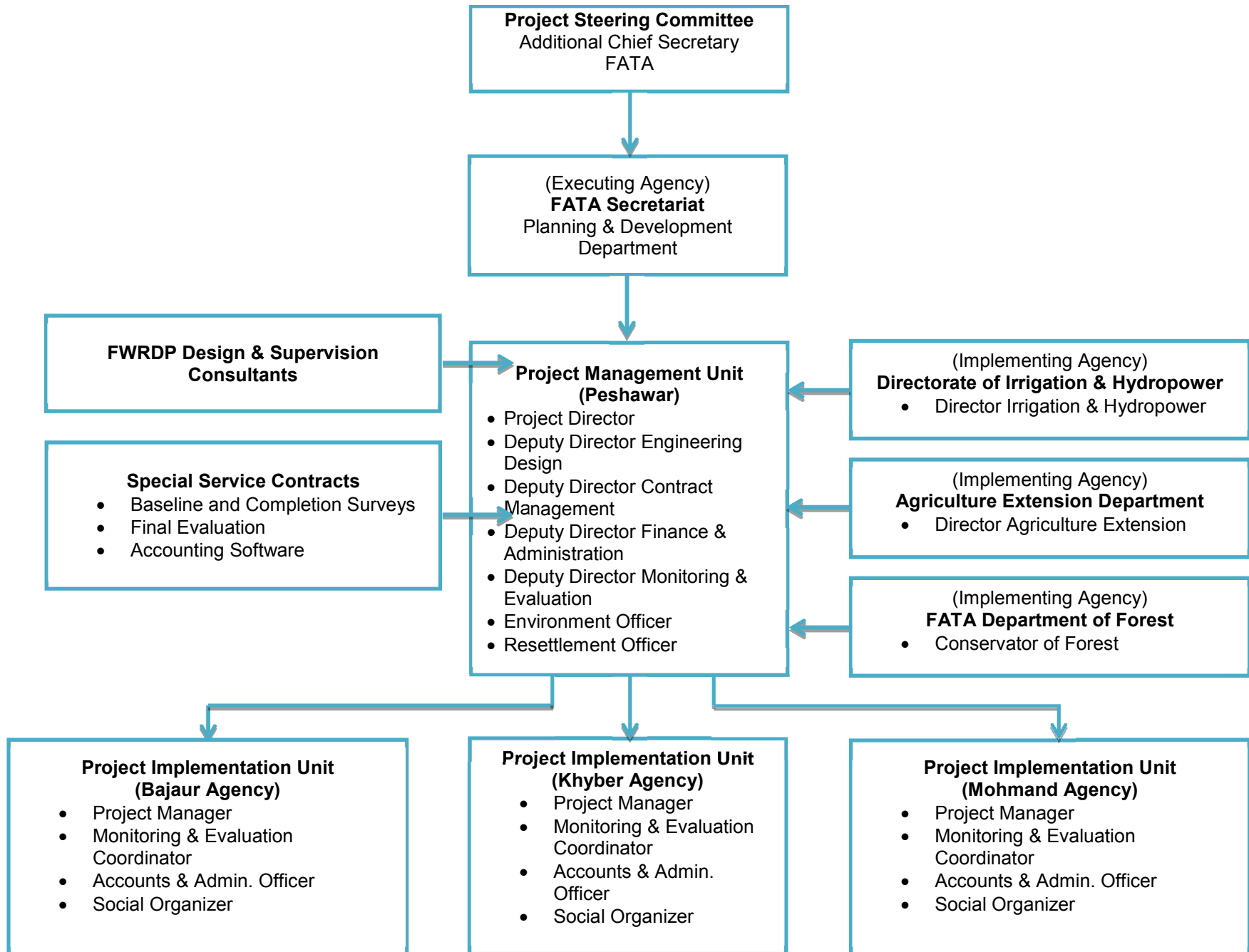
Project Implementation Organizations	Management Roles and Responsibilities
FATA Secretariat (Executing Agency)	<ul style="list-style-type: none"> • Overall responsibility for implementation of FWRDP • Recruit staff for the PMU and PIUs. • Ensure timely provision of agreed counterpart funds for project activities. • Conduct timely financial audits as per agreed timeframe and taking recommended actions. • Ensure compliance with loan covenants (social, environmental, financial, economic, and others). • Ensure the project's sustainability after implementation and reporting to ADB on the development impacts. • Ensure timely approval of procurement and finance related matters. • Lead coordination and planning among ADB, USAID and SDC projects operating in the same project area.
Project Management Unit and Project Implementation Units	<ul style="list-style-type: none"> • Oversee and monitor project implementation. • Recruit consultants. • Review and finalize pilot subprojects. • Facilitate and oversee preparation and approval of feasibility studies for the 37 remaining subprojects. • Undertake timely procurement of goods and works. • Coordinate and monitor the civil works and project facilities. • Establish requisite financial management system, maintain imprest account, and submit timely withdrawal applications to ADB. • Ensure Project works are implemented in accordance with ADB environment and social safeguards policies and procedures. • Ensure compliance with ADB Public Communication Policy. • Timely preparation and submission of progress reports and project completion report to ADB.
Project Steering Committee	<ul style="list-style-type: none"> • Oversee progress and provide guidance on the FWRDP. Meet twice per year, with additional meetings as needed.
Planning & Development Department, FATA Secretariat	<ul style="list-style-type: none"> • Overall development coordinating department within the FATA Secretariat.
Directorate of Irrigation, Directorate of Agriculture, Directorate of Forests of the FATA Secretariat	<ul style="list-style-type: none"> • Work with the PMU, PIUs, and design and supervision consultants to implement the respective project components.
Asian Development Bank (ADB)	<ul style="list-style-type: none"> • Provide technical and financial support and oversight in accordance with loan agreement. • Provide guidance and assistance to EA/PMU/PIUs throughout project implementation to ensure smooth and timely implementation of the project in accordance with the Loan Agreement.

Project Implementation Organizations	Management Roles and Responsibilities
	<ul style="list-style-type: none"> • Review all documents that require ADB approval. • Conduct requisite loan review missions, including mid-term review and project completion missions. • Monitor compliance with loan covenants, social and environmental safeguards and technical and financial requirements. • Ensure timely processing of withdrawal applications and release eligible funds. • Review audit reports and ensure compliance with financial audit recommendations. • Review project performance reports and provide advice and guidance to EA/PMU, as required. • Update eOps and comply with ADB disclosure requirements.

B. Key Persons Involved in Implementation

Executing Agency	
FATA Secretariat	Mr. Muhammad Azam Khan Additional Chief Secretary FATA Secretariat Warsak Road, Peshawar 091-9214016 091-9212148
Asian Development Bank	
CWER	Mr. Akmal Siddiq Director Environment, Natural Resources and Agriculture Division Central and West Asia Department Asian Development Bank 6 ADB Avenue, Mandaluyong City 1550 Metro Manila, Philippines +632 632 5796 asiddiq@adb.org
Mission Leader	Ms. D. A. Walton Principal Natural Resources and Agriculture Specialist Pakistan Resident Mission Level 8, North Wing, Serena Business Complex Khayaban-e-Suhrawardy, G-5 Islamabad, Pakistan 051-2087300 dwalton@adb.org

C. Project Organization Structure



IV. COSTS AND FINANCING

A. Detailed Cost Estimates by Expenditure Categories

		(in \$ million)				
Items	Foreign Exchange	Local Currency	Total Cost	% age of total base Cost		
A Investment Cost						
(a)	1	Civil Works	0	30.83	30.83	64.4%
(b)	2	Mechanical and Equipment	0	0.65	0.65	1.4%
(c)	3	Environmental and Social Mitigation	0	0.36	0.36	0.7%
	4	Consultants	0			
(d)		I. Project Management	0	0.12	0.12	0.3%
(e)		II.Design and Development	0	3.99	3.99	8.3%
		Sub-total (A)	0	35.95	35.95	75.1%
B Recurrent Costs						
(f)	1	Salaries	0	1.75	1.75	3.7%
(g)	2	Accommodation	0	0.22	0.22	0.5%
(h)	3	Equipment Operation and Maintenance	0	0.95	0.95	2.0%
		Sub-total (B)	0	2.92	2.92	6.1%
		Total Base Cost	0	38.87	38.87	81.1%
C. Contingencies						
	1	Physical	0	1.69	1.69	3.5%
	2	Price	0	6.05	6.05	12.6%
		Sub-total (C)	0	7.74	7.74	16.2%
D Financing Charges During Implementation						
	1	Interest During Implementation	0	1.29	1.29	2.7%
		Sub-total (D)	0	1.29	1.29	2.7%
		Total Project Cost (A+B+C+D)	0	47.90	47.90	100%

a\ Civil works DAMs and WEIRS including command area development and on farm water management

b\ vehicles and office equipment

c\ Communities Social Mobilization, Awareness and capacity building

d\ Baseline+Final Evaluation+ systems Development

e\ Consulting Services for design and development of sub projects

f\ Staff Salaries and perdiem

g\ Office Rent PMU\PIU

h\ Incremental operational and maintenance costs

B. Allocation and Withdrawal of Loan Proceeds

CATEGORY	Total Amount Allocated for ADB Financing Amount in US\$	Percentage and Basis for Withdrawal from Loan Account
Civil Works	26,517,877	
Khyber Agency	10,809,815	90% of the total expenditure claimed
Mohmand Agency	8,053,156	90% of the total expenditure claimed
Bajaur Agency	7,654,906	90% of the total expenditure claimed
Mechanical and Equipment	540,026	100% of the total expenditure claimed*
Environmental and Social Mitigation	357,282	100% of the total expenditure claimed*
Project Management	119,876	100% of the total expenditure claimed*
Design and Development	3,989,942	100% of the total expenditure claimed*
Recurrent Costs		
Project Management Costs	1,749,022	100% of the total expenditure claimed*
Recurrent Costs (Vehicles, Equipment, Supplies)	1,051,302	90% of the total expenditure claimed
Interest during Implementation	1,288,513	100% of amounts due
Unallocated	7,354,728	
Total	42,968,567	

*Exclusive of taxes and duties imposed within the territory of the Borrower.

C. Detailed Cost Estimates by Financier (in \$ million)

(in \$ million)

Items	ADB		GoP		Total Cost		
	Amount	% of Cost Category	Amount	% of Cost Category			
A Investment Cost							
a	1	Civil Works	26.52	86%	4.32	14%	30.83
b	2	Mechanical and Equipment	0.54	83%	0.110	17%	0.65
c	3	Environmental and Social Mitigation	0.36	100%	-	0%	0.36
	4	Consultants					
d		I. Project Management	0.12	100%	-	0%	0.12
e		II. Design and Development	3.99	100%	-	0%	3.99
		Sub-total (A)	31.53	88%	4.43	12%	35.95
B Recurrent Costs							
							-
f	1	Salaries	1.75	100%	-	0%	1.75
g	2	Accommodation	0.20	90%	0.02	10%	0.22
h	3	Equipment Operation and Maintenance	0.86	90%	0.10	10%	0.95
		Sub-total (B)	2.80	96%	0.12	4%	2.92
		Total Base Cost	34.33	88%	4.54	12%	38.87
		C. Contingencies	7.35	95%	0.39	5%	7.74
		D Financing Charges During Implementation	1.29	100%	-	0%	1.29
		Total Project Cost (A+B+C+D)	42.97	90%	4.93	10%	47.90

a\ Civil works DAMs and WEIRS including command area development and on farm water management

b\ vehicles and office equipment

c\ Communities Social Mobilization, Awareness and capacity building

d\ Baseline+Final Evaluation+ systems Development

e\ Consulting Services for design and development of sub projects

f\ Staff Salaries and per diem

g\ Office Rent PMU\PIU

h\ Incremental operational and maintenance costs

D. Detailed Cost Estimates by Outputs/Components

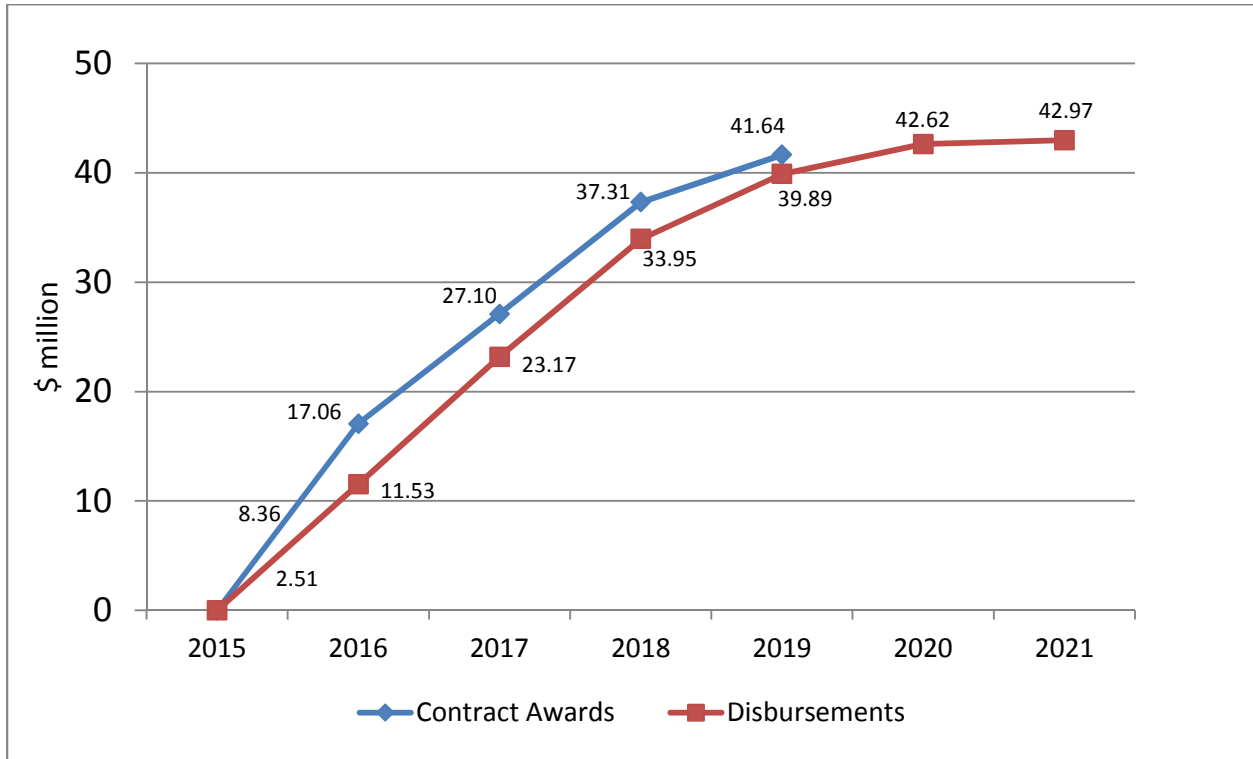
			(in \$million)					
Items	Total Cost	DAMs and WEIRs		On farm Water Management		Watershed Management		
		Amount	% age of Cost category	Amount	% age of Cost category	Amount	% age of Cost category	
A Investment Cost								
1 Civil Works	30.83	23.61	77%	4.47	15%	2.75	9%	
2 Mechanical and Equipment	0.65	0.45	69%	0.15	23%	0.05	8%	
3 Environmental and Social Mitigation	0.36	0.13	37%	0.12	35%	0.12	34%	
4 Consultants								
I. Project Management	0.12	0.09	77%	0.02	15%	0.01	9%	
II. Design and Development	3.99	2.75	69%	0.92	23%	0.32	8%	
Sub-total (A)	35.95	27.04	75%	5.68	16%	3.25	9%	
B Recurrent Costs	-	-						
1 Salaries	1.75	1.34	77%	0.25	15%	0.16	9%	
2 Accommodation	0.22	0.15	70%	0.03	15%	0.03	15%	
3 Equipment Operation and Maintenance	0.95	0.62	65%	0.24	25%	0.10	10%	
Sub-total (B)	2.92	2.11	72%	0.52	18%	0.28	10%	
Total Base Cost	38.87	29.15	75%	6.21	16%	3.53	9%	
C. Contingencies	-	-						

1	Physical	1.69	1.43	85%	0.14	8%	0.12	7%
2	Price	6.05	4.64	77%	0.88	15%	0.54	9%
Sub-total (C)		7.74	6.07	78%	1.01	13%	0.66	8%
D	Financing Charges During Implementation	-	-					
1	Interest During Implementation	1.29	0.99	77%	0.19	15%	0.11	9%
Sub-total (D)		1.29	0.99	77%	0.19	15%	0.11	9%
Total Project Cost (A+B+C+D)		47.90	36.20	76%	7.41	15%	4.31	9%

E. Detailed Cost Estimates by Years

		(in \$ million)						
		Total Cost	2015	2016	2017	2018	2019	
A. DAMs and WEIRs								
1	Civil Works	20.31	1.78	5.86	6.42	4.84	1.42	
2	Mechanical and Equipment	0.41	0.41					
3	Environmental and Social Mitigation	0.27	0.06	0.07	0.07	0.08	-	
4	Consultants							
	I. Project Management	0.10	0.04	0.01	0.01	0.01	0.03	
	II. Design and Development	3.06	0.92	0.51	0.53	0.55	0.55	
	Sub-total (A)	24.15	-	3.21	6.44	7.03	5.48	2.00
B. On Farm Management								
1	Civil Works	3.85	0.25	0.87	1.05	1.39	0.29	
2	Mechanical and Equipment	0.08	0.08					
3	Environmental and Social Mitigation	0.05	0.01	0.01	0.01	0.01		
4	Consultants							
	I. Project Management	0.01	0.01				0.01	
	II. Design and Development	0.58	0.17	0.10	0.10	0.10	0.10	
	Sub-total (B)	4.57	-	0.52	0.98	1.17	1.51	0.40
C. Watershed Management								
1	Civil Works	2.36	0.18	0.61	0.65	0.72	0.21	
2	Mechanical and Equipment	0.05	0.05					
3	Environmental and Social Mitigation	0.03	0.01	0.01	0.01	0.01		
4	Consultants							
	I. Project Management	0.01	0.005				0.004	
	II. Design and Development	0.36	0.11	0.06	0.06	0.06	0.06	
	Sub-total (C)	2.81	0.35	0.35	0.67	0.72	0.80	0.27
D. Recurrent Costs								
1	Salaries	1.75	0.29	0.32	0.35	0.38	0.42	
2	Accommodation	0.20	0.03	0.04	0.04	0.04	0.05	
3	Equipment Operation and Maintenance	0.86	0.15	0.15	0.17	0.18	0.20	
	Sub-total (D)	2.80	-	0.47	0.50	0.55	0.61	0.67
	Total Base Cost	34.33	0.35	4.55	8.59	9.46	8.39	3.34
E. Contingencies								
1	Physical	1.60	0.15	0.43	0.48	0.41	0.13	
2	Price	5.75	-	0.81	1.79	2.30	0.84	
	Sub-total (E)	7.35	-	0.15	1.24	2.27	2.72	0.98
F. Financing Charges During Implementation								
		1.29	0.23	0.39	0.35	0.22	0.09	
Total Project Cost (A+B+C)		42.97	0.35	4.93	10.23	12.08	11.32	4.40
	%age	100%	11%	24%	28%	26%	10%	

F. Contract and Disbursement S-curve



Projections for Contract Award (\$ million)

Year	Q1	Q2	Q3	Q4	Total
2015	0	0	6.271	2.087	8.358
2016	0.315	0.315	7.954	0.114	8.698
2017	2.137	0.337	2.898	4.668	10.040
2018	0.358	3.299	0.917	5.641	10.215
2019	0.357	0.357	1.276	2.339	4.329
2020	0	0	0	0	0
					41.638*

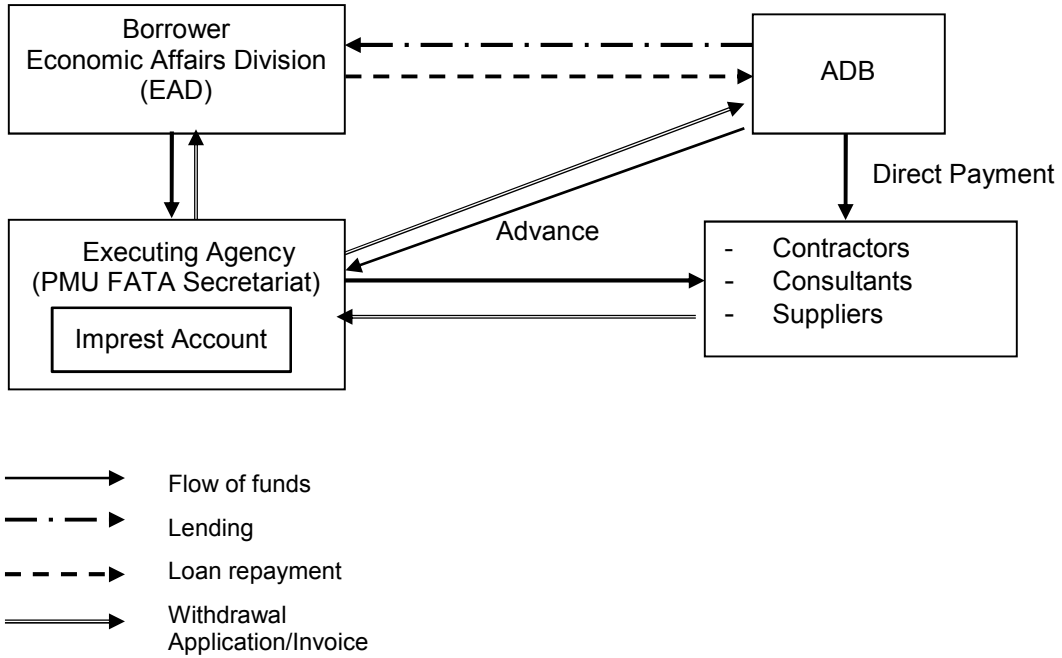
Net of IDC of \$1.33 million

Projections for Disbursement (\$ million)

Year	Q1	Q2	Q3	Q4	Total
2015	0	0.990	0.450	1.065	2.505
2016	2.427	2.198	2.103	2.298	9.026
2017	3.000	3.358	2.763	2.516	11.637
2018	2.446	3.214	3.123	2.000	10.783
2019	2.008	2.012	1.412	0.509	5.941
2020	0.125	0.972	1.000	0.629	2.726
2021	0.350				0.350
					42.968

G. Funds Flow Diagram

Fund Flow of the Project is summarized in the diagram below:



V. FINANCIAL MANAGEMENT

24. A Financial management assessment has been conducted for the FATA Secretariat in accordance with ADB's *Guidelines for the Financial Management and Analysis of Projects*¹¹ and *A Methodology Note on Financial Due Diligence*¹².

A. Financial Management Assessment

25. The assessment confirmed that the FATA Secretariat has committed to provide adequate number of accounting professionals and computerized financial accounting and reporting systems and procedures, which will control accounting, financial and physical progresses related to the Project. The Government's New Accounting Manual shall be used which is adequate and is followed in all ADB projects in Pakistan and FATA Secretariat's financial management meets government requirements in terms of staffing, accounting, and internal control. The PMU's staffing structure is given in the attached Organization chart and the borrower has committed that all essential financial management staff will be recruited before loan effectiveness.

26. Financial management internal control and risk assessments have also been conducted for the FATA Secretariat in accordance with ADB's *Guidelines for the Financial Management and Analysis of Projects*. The overall inherent risk was assessed as substantial primarily due to security-related factors. The overall control risk was also assessed as substantial in order to be in line with similar assessments undertaken by the World Bank several years ago; such assessments, however, do not fully reflect recent developments by the FATA Secretariat. Since the FATA secretariat has considerable experience in implementing externally financed projects including a recently closed ADB loan-financed project (footnote 4), in which there were no adverse audit opinions, such a rating is not likely to affect the financial management performance because of (i) close monitoring and supervision by PRM; and (ii) because the Government's imprest account procedures are robust and have in-built checks and balances. The risk will also be mitigated by the establishment of a project management unit (PMU) staffed by qualified professionals who will assume day-to-day management of the project, with an operationalized internal audit unit, after installation of an adequate financial management system software. Details of the assessments are presented in the financial management assessment included as Annex 3.

¹¹ ADB. 2005. *Financial Management and Analysis of Projects*. Manila. Available at: <http://www.adb.org/Documents/Guidelines/Financial/default.asp>.

¹² ADB. 2009. *Financial Due Diligence: A Methodology Note*. Manila. Available at: <http://www.adb.org/Documents/Others/FM-toolkit/Methodology-Note.pdf>

Summary of Financial Management Internal Control and Risk Assessment

Risk Type	Risk Assessment	Risk Description	Risk Mitigation Measures
1. Country-Specific Risks	S	National budgetary or financial management systems are not fully mature.	The National Accounting, controls and auditing procedures are being improved with the help of DB and other International financial Institutions.
2. Entity-Specific Risks	S	Lack of IPAS compliant financial statements and because adequate financial management assessment could not be made at the agency level.	Training under ADB RETA will be provided for preparation of financial statements and for setting up of computerized accounts. The Imprest account will be in the PMU at the FATA Secretariat and all disbursements will be processed only at the PMU level and not at the agency level.
3. Project Specific Risks	M	Security-related risks are essentially there especially at the agency level.	Since payments are centralized and the PMU is located in Peshawar, closer monitoring by ADB shall be done.
Overall Inherent Risk	S		
Control Risk			
1. Executing and implementing agencies	N	FATA Secretariat has good experience in implementing ADB, IFAD, USAID and a WB multi donor trust fund. Also it implements bilateral assisted projects.	Performance of PIUs will be closely monitored and capacity building shall be done.
2. Funds Flow	N	The loan proceeds will be disbursed in accordance with ADB's <i>Loan Disbursement Handbook</i> and there is little risk foreseen.	A rule based mechanism for fund flow is available and governed under rules of GoP's Ministry of Finance: <ul style="list-style-type: none"> - Revolving fund account (Imprest Account) used for externally financed projects and assignment account for GoP counterpart funds. - Direct payment procedure by donors is also used for fund flow. - Assignment Account shall be used for GOP counterpart funding
3. Staffing	M	Availability of qualified and trained accounting staff at the PMUs and PIUs is critical.	Assurance required prior to loan effectiveness to have qualified staff posted.
4. Accounting Policies and Procedures	N	Implementation of given rules is important.	Accounting standards and practices are based on Pakistan National Accounting Standards, which are in compliance with International Accounting Standards. FATA uses these systems and procedures so

Risk Type	Risk Assessment	Risk Description	Risk Mitigation Measures
			no major issues noted.
5. Internal Audit	H	No internal controls procedures and mechanisms are presently in place currently at the FATA Secretariat.	FATA Secretariat has set up a "pilot" internal audit unit but this unit needs to be made fully operationalized and staffed to strengthen the Project's internal controls before loan effectiveness.
6. External Audit	N	The Department of Auditor General of Pakistan will conduct the audit of the project accounts.	ADB is works closely with the AGP to ensure timely submission of audited project accounts.
7. Reporting and Monitoring	S	The quality of financial reporting is not compliant with international Public Sector Accounting Standards (IPSAS) requirements.	ADB is working with all EAs to improve the quality of project financial statements so that all essential financial information is suitably disclosed. Specimens of IPSAS compliant financial statements are provided by ADB to all EAs and training on this aspect will be provided under a Regional Technical Assistance to the EA.
8. Information System	M	Computerized accounting system is needed to ensure quality and timeliness of accounting reports.	FATA Secretariat has access to the Government's Project for Improving Financial Reporting and Auditing computerized terminals. This should be operationalized for the Project. Alternately, the Project shall require the EA to have its own standalone computerized accounting package.
Overall Control Risk	S		

* H = High, S = Substantial, M = Moderate, N = Negligible or Low.

B. Disbursement

27. The Loan proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2012, as amended from time to time),¹³ and detailed arrangements agreed upon between the Government and ADB.

28. Direct payment procedure will be used for individual payments exceeding \$100,000 equivalent, if any for civil works contracts and consulting services. Immediately after loan effectiveness, the PMU will establish an imprest account at the National Bank of Pakistan in accordance with Finance Division Procedures.¹⁴ The total outstanding advance to the imprest account should not exceed the estimate of ADB's share of expenditures to be paid through the imprest account for the forthcoming 6 months. The imprest account is to be used exclusively for

¹³ Available at: http://www.adb.org/Documents/Handbooks/Loan_Disbursement/loan-disbursement-final.pdf

¹⁴ Any bank charges will be financed from the loan, in line with OM H3 requirement.

ADB's share of eligible expenditures. Imprest accounts will be established, managed, and liquidated in accordance with ADB's Loan Disbursement Handbook and detailed arrangements agreed by the Government and ADB. ADB's Loan Disbursement Handbook describes which supporting documents should be submitted to ADB and which should be retained by the government for liquidation and replenishment of an Imprest account. The request for initial and additional advances to the imprest account should be accompanied by an Estimate of Expenditure Sheet setting out the estimated expenditures for the forthcoming six (6) months of project implementation.¹⁵ For every liquidation and replenishment request of the imprest account, the borrower will furnish to ADB (a) Statement of Account (Bank Statement) where the imprest account is maintained, and (b) the Imprest Account Reconciliation Statement (IARS) reconciling the above mentioned bank statement against the EA's records.¹⁶

29. The PMU will be responsible to prepare its annual budget for the Project's counterpart funding requirements. Since FATA Secretariat receives a 'one-line' budget release from the Deferral Government, the PMU will closely liaise with the Planning and Development Department of FATA Secretariat to ensure adequate budgetary allocation for the Project and its timely release on quarterly basis.

30. The statement of expenditure (SOE) procedure will be used to reimburse eligible expenditure and to liquidate and replenish the imprest account for individual payments of \$100,000 equivalent and below. SOE records should be maintained and made readily available for review by ADB's disbursement and review mission or upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit.¹⁷

31. Before the submission of the first withdrawal application, PMU should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the borrower, together with the authenticated specimen signatures of each authorized person. The minimum value per withdrawal application is \$100,000, unless otherwise approved by ADB. Individual payments below this amount should generally be paid from the imprest account or by the EA and subsequently claimed to ADB through reimbursement. ADB reserves the right not to accept WAs below the minimum amount.

C. Accounting

32. The PMU will maintain separate project accounts and records by funding source for all expenditures incurred on the Project. Project accounts will be based on cash basis International Public Sector Accounting Standards (IPSAS), which are in line with the Government's accounting rules (New Accounting Model).

D. Auditing

33. The PMU will cause the consolidated project accounts to be audited in accordance with International Standards on Auditing and in accordance with the Government's audit

¹⁵ Available in Appendix 29 of the *Loan Disbursement Handbook*.

¹⁶ Follow the format provided in Appendix 30 of the *Loan Disbursement Handbook*.

¹⁷ Checklist for SOE procedures and formats are available at:

http://www.adb.org/documents/handbooks/loan_disbursement/chap-09.pdf

http://www.adb.org/documents/handbooks/loan_disbursement/SOE-Contracts-100-Below.xls

http://www.adb.org/documents/handbooks/loan_disbursement/SOE-Contracts-Over-100.xls

http://www.adb.org/documents/handbooks/loan_disbursement/SOE-Operating-Costs.xls

http://www.adb.org/documents/handbooks/loan_disbursement/SOE-Free-Format.xls

regulations by the Department of the Auditor General of Pakistan. The annual audit report for the project accounts will include an audit management letter and audit opinions which cover (i) whether the project financial statements present a true and fair view or are presented fairly; in all material respects, in accordance with the applicable financial reporting framework; (ii) whether loan and grant proceeds were used only for the purposes of the project or not; (iii) use of the imprest fund procedure; and (iv) the use of the statement of expenditure procedure certifying to the eligibility of those expenditures claimed under SOE procedures, and proper use of the SOE and imprest procedures in accordance with ADB's Loan Disbursement Handbook and the project documents.

34. Compliance with financial reporting and auditing requirements will be monitored by review missions and during normal program supervision, and followed up regularly with all concerned, including the external auditor.

35. The Government and FATA Secretariat have been made aware of ADB's approach to delayed submission, and the requirements for satisfactory and acceptable quality of the audited accounts. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

36. Public disclosure of the project financial statements, including the audit report on the project financial statements, will be guided by ADB's Public Communications Policy (2011).¹⁸ After review, ADB will disclose the project financial statements for the project and the opinion of the auditors on the financial statements within 30 days of the date of their receipt by posting them on ADB's website. The Audit Management Letter will not be disclosed.

VI. PROCUREMENT AND CONSULTING SERVICES

A. Advance Contracting and Retroactive Financing

37. The FATA Secretariat has not requested approval for advance contracting nor retroactive financing for the project.

B. Procurement of Goods, Works and Consulting Services

38. A procurement capacity assessment of the FATA Secretariat was undertaken and acknowledged that the FATA Secretariat does not have a dedicated procurement department with a permanent cadre of procurement practitioners, it does have some familiarity with IFI guidelines for procurement of goods, works and consulting services due to its successful implementation of FRDP and the ongoing World-Bank funded Rural Livelihood and Community Infrastructure Project. The assessment further concluded that since a project management unit (PMU) fully staffed with professionals/specialists will be established for the project, the overall assessment of project procurement risk is Low.

39. The procurement of goods and works, and consultant selection will be carried out in accordance with ADB's *Procurement Guidelines* (2013, as amended from time to time)¹⁹ and ADB's *Guidelines on the Use of Consultants* (2013, as amended from time to time)²⁰, respectively. An initial procurement plan has been prepared for the project and is set out in Part

¹⁸ Available from <http://www.adb.org/documents/pcp-2011?ref=site/disclosure/publications>.

¹⁹ Available at: <http://www.adb.org/Documents/Guidelines/Procurement/Guidelines-Procurement.pdf>.

²⁰ Available at: <http://www.adb.org/Documents/Guidelines/Consulting/Guidelines-Consultants.pdf>.

C of this section. All 15 civil works contracts will be procured through National Competitive Bidding (NCB) as the value of each contract is less than \$5,000,000.²¹ The EA has the option to award the civil works in one package to the Frontier Works Organization under the Force Account method since the works are small, scattered and in remote locations for which qualified construction firms may be unwilling to bid due to security considerations, or may be unlikely to bid at reasonable prices, and whereby the risks of unavoidable work interruption are better borne by the Borrower than by a contractor.

40. Goods to be procured include water measurement equipment, office equipment, vehicles and furniture. The NCB method will be used for supply contracts costing between \$100,000 and \$1,000,000, and the Shopping method will be used for contracts costing less than \$100,000. The project requires consulting support for design and supervision of the civil works and to provide specialized services. A firm will be recruited to provide design and supervision consulting support through the quality- and cost-based selection method based on a 90:10 ratio. Two service contracts will be awarded to conduct (i) a baseline survey in year 1 of the project and a project completion survey, and (ii) a final project evaluation. An individual consultant will be recruited for the procurement and installation of accounting software and training of PMU staff. The FATA Secretariat will ensure that all contracts are awarded and implemented on time.

C. Procurement Plan

Basic Data

Project Name: FATA Water Resources Development Project	
Project Number: 47021-002	Approval Number:
Country: PAKISTAN (Federal)	Executing Agency: FATA Secretariat
Project Procurement Classification: B	Implementing Agency: Directorate of Irrigation, Department of Agriculture, Department of Forests
Procurement Risk: Low	
Project Financing Amount: \$ 47.9 million ADB Financing: \$42.97 million Non-ADB Financing: \$4.93 million	Project Closing Date: 30 September 2020
Date of First Procurement Plan:	Date of this Procurement Plan:

A. Methods, Thresholds, Review and 18-Month Procurement Plan

1. Procurement and Consulting Methods and Thresholds

Except as the Asian Development Bank (ADB) may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

Procurement of Goods and Works		
Method	Threshold	Comments
International Competitive Bidding (ICB) for Works	>\$15,000,000	Based on Project procurement Risk Assessment.
International Competitive Bidding for Goods	>\$2,000,000-\$5,000,000	As above
National Competitive Bidding (NCB) for Works	Beneath that stated for ICB, Works	
National Competitive Bidding for Goods	Beneath that stated for ICB, Goods	
Shopping for Works	Below \$100,000	

²¹ The first civil works and goods contract to be awarded under national competitive bidding are subject to ADB's prior review and approval procedures.

Shopping for Goods	Below \$100,000	
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Consulting Services	
Method	Comments
Quality and Cost Based Selection (QCBS)(90:10)	Design and supervision consultants
Least Cost Selection	Baseline and completion surveys; final project evaluation.
Individual Consultants	Various

2. **Goods and Works Contracts Estimated to Cost \$1 Million or More**

The following table lists goods and works contracts for which the procurement activity is either ongoing or expected to commence within the next 18 months.

Package Number	General Description	Estimated Value \$ million	Procurement Method	Review [Prior / Post/Post (Sample)]	Bidding Procedure	Advertisement Date (quarter/year)	Comments
Moh/1	Construction of Jay Dam	3.20	NCB	Prior	1S2E	Q2/2015	Small Works
Khy/1	Construction of Shangade Dam	2.62	NCB	Prior	1S2E	Q2/2015	Small Works

3. **Consulting Services Contracts Estimated to Cost \$100,000 or More**

The following table lists consulting services contracts for which the recruitment activity is either ongoing or expected to commence within the next 18 months.

Package Number	General Description	Estimated Value \$ million	Recruitment Method	Review (Prior / Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
PMU/1	Design and Supervision	4.0	QCBS (90:10)	Prior	Q2/2015	FTP	National

4. **Goods and Works Contracts Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$100,000 (Smaller Value Contracts)**

The following table groups smaller-value goods, works and consulting services contracts for which the activity is either ongoing or expected to commence within the next 18 months.

Goods and Works								
Package Number	General Description	Estimated Value \$ million	Number of Contracts	Procurement Method	Review [Prior / Post/Post (Sample)]	Bidding Procedure	Advertisement Date (quarter/year)	Comments
Baj/1	Kharkai Weir	0.945	1	NCB	Post	1S1E	Q2/2015	Small Works
Khy/2	Tarkho Kats Weir	0.554	1	NCB	Post	1S1E	Q4/2015	Small Works
PMU/2	Vehicles	0.427	1	NCB	Post	1S1E	Q2/2015	Goods
PMU/3	Equipment	0.222	multiple	Shopping	Post	1S1E	Q2/2015	Various goods

Consulting Services								
Package Number	General Description	Estimated Value \$ million	Number of Contracts	Recruitment Method	Review (Prior / Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
PMU/4	Baseline and Completion Surveys	0.024	1	LCS	Prior	Q2/2015	BTP	National
PMU/5	Final Project Evaluation	0.034	1	LCS	Post	Q3/2019	BTP	National
PMU/6	Accounting Service (individual consultant)	0.010	1	ICS	Post	Q2/2015	EOI	National

B. Indicative List of Packages Required Under the Project

The following table provides an indicative list of goods, works and consulting services contracts over the life of the project, other than those mentioned in previous sections (i.e., those expected beyond the current period).

Goods and Works						
Package Number	General Description	Estimated Value \$ million	Procurement Method	Review [Prior / Post/Post (Sample)]	Bidding Procedure	Comments
Khy/3	Tangi Dam	4.34	NCB	Prior	1S2E	Small Works
Khy/4	Magoo Dand Dam	1.63	NCB	Post	1S1E	Small Works
Khy/5	Bara Kach Dam	2.96	NCB	Prior	1S2E	Small Works
Khy/6	Qadum Irrigation	0.464	NCB	Post	1S1E	Small Works
Moh/2	Qasim Khel & Ekka Ghund -III watersheds Surface water Irrigation	2.72	NCB	Prior	1S2E	Small Works
Moh/3	Umbar & Upper Pandiali watersheds Surface water Irrigation	2.09	NCB	Post	1S1E	Small Works
Moh/4	Tanga Danish Cool Dam	1.35	NCB	Post	1S1E	Small Works
Baj/2	Salarzai - II & III watersheds Surface water Irrigation	2.59	NCB	Prior	1S2E	Small Works
Baj/3	Charmang & Kamagara watersheds Surface water Irrigation	4.13	NCB	Prior	1S2E	Small Works
Baj/4	Arang, & Alizai watersheds Surface water Irrigation	0.648	NCB	Post	1S1E	Small Works
Baj/5	Loi Mahmud & Salarzai-I watersheds Surface water Irrigation	0.589	NCB	Post	1S1E	Small Works

D. Consultant's Terms of Reference

41. The project will require 792 person months of National consulting inputs through a firm for the design and construction supervision services. The expertise and person months required are provided in the following table:

Consulting Expertise	Number	Total Person Months (pm)
Water Resources Specialist/Team Leader	1	60
Hydrologist	1	9
Hydraulic Design Engineer	1	12
Geologist	1	9
Environment Specialist	1	9
On-Farm Water Management Specialist	1	16
Watershed Management Specialist	1	20
Economist	1	9
Agriculture Specialist	1	9
Social Safeguards Specialist	1	9
Structural Engineer	1	12
GIS Specialist	1	9
Groundwater Specialist	1	9
Chief Resident Engineer	1	60
Assistant Resident Engineer	3	180
Chief Surveyor	3	180
Surveyor	3	180
Total National Experts (pm)		792

42. The outline terms of reference (TOR) for the design and supervision consultants are provided in Annex 4.

VII. SAFEGUARDS

43. The FATA Secretariat will ensure that the project is implemented in full compliance with (i) all applicable laws and regulations of the Government of Pakistan, and ADB's Safeguard Policies (2009) (SPS), including the policies on involuntary resettlement²² and the environment,²³ and (ii) respective resettlement plans, initial environmental examination reports, and environmental management plans. In the event that there is a discrepancy between the laws and regulations of the Government of Pakistan and ADB safeguard policies, the ADB safeguard policies will prevail. The following safeguards assurances for the project will be incorporated in the loan agreement:

A. Environment

44. The FATA Secretariat will ensure that the design, construction, and operation and maintenance of the project are carried out in accordance with ADB's Safeguard Policy Statement (2009) (SPS), applicable laws and regulations in Pakistan, and initial environmental examination (IEE) for each sub-project. The FATA Secretariat will ensure that any potential adverse environmental impact arising from each sub-project is minimized by implementing all

²² ADB. 1995. Involuntary Resettlement. Manila.

²³ ADB. 2002. Environment Policy. Manila.

mitigation and monitoring measures indicated in the environment management plan (EMP) included in the sub-project IEE. The FATA Secretariat will (i) supervise the preparation and implementation of Site Specific EMPs for each site prior to commencement of construction; and (ii) the construction contractor will prepare the SSEMP based on the guidelines provided in the generic EMPs and will implement them on site. The FATA Secretariat through the PMU will ensure that:

- Generic EMPs provided in the IEEs are to be made part of the bidding documents for the contracts.
- EMPs are prepared by the Design and Supervision environment specialist and endorsed by the PMU's environment specialist prior to implementation of civil works.
- PMU has sufficient resources to implement and record the implementation of each sub-project's EMP.
- Starting from project commencement, the PMU will submit to ADB semi-annual environmental reports prepared by the PMU's environment specialist, within 3 months of the close of each half of the calendar year during implementation of the project. The reports will include, among others, a review of progress made on environmental measures detailed in the IEEs and EMPs, and monitoring thereof, and problems encountered and remedial measures taken.
- Civil works contracts are supervised to ensure compliance with the requirements of the IEEs and EMPs.

45. The FATA Secretariat will inform ADB any changes in a project component that occurs after the EMP has been approved by ADB. ADB's prior approval will be required before implementing any change. Where in the opinion of ADB, additional environmental assessment is needed the FATA Secretariat will arrange the same. The FATA Secretariat will prepare a semiannual report on implementation of the EMP as part of the progress reports on investment program implementation. The FATA Secretariat will provide the contractors with the IEE study report including the EMP, and ensure that the contractors implement the mitigation measures and EMP as described in these reports.

B. Land Acquisition, Resettlement and Indigenous Peoples

46. The FATA Secretariat will ensure that for each sub-project under the FWRDP land acquisition and involuntary resettlement plans are prepared, disclosed and implemented in accordance with SPS. The FATA Secretariat will ensure that no civil works contract is awarded until a land acquisition and resettlement plan (LARP) has been agreed with ADB. The FATA Secretariat will ensure that: (i) all land required for each sub-project under FWRDP is made available in a timely manner; (ii) land acquisition occurs only after the relevant LARP have been fully implemented; and (iii) contractors' activities are in compliance with requirements of the LARPs and EMPs.

47. The FATA Secretariat will (i) prepare and implement resettlement plans, in accordance with ADB's SPS on involuntary resettlement, with the principles and procedures agreed between the Government of Pakistan and ADB; (ii) disclose subproject resettlement plans to affected persons in a form and language easily comprehensible to them prior to submission to ADB for review and approval, before award of related civil works contracts or a similar milestone; and (iii) monitor and submit the quarterly progress and completion reports on land acquisition and resettlement. The FATA Secretariat will ensure that each LARP is fully implemented prior to taking possession of lands. The FATA Secretariat will provide funds to pay

compensation and entitlements under each resettlement plan in a timely manner and in accordance with provisions of the resettlement plans.

48. The resettlement budget will be reviewed prior to implementation, and any additional land acquisition and resettlement cost that may be required will be borne by the Borrower. If there is any change in the scope of the investment program subprojects, or after detailed design, the resettlement plan will be revised and submitted for ADB approval prior to award of civil work contracts.

49. The FATA Secretariat will ensure that (i) compensation for land and structures will be provided to affected persons in full at replacement value, including financial assistance and/or grants, if any, prior to taking possession of their assets; and that essential public infrastructure affected by land acquisition and resettlement are replaced appropriately and expeditiously; (ii) acquire or make available on a timely basis (i.e. strictly in accordance with the schedule as agreed under the related civil works contract) the land and rights in land, free from any encumbrances; and (iii) clear the utilities, trees, and any other obstruction from such land, on a timely basis (i.e., strictly in accordance with the schedule as agreed under the related civil works contracts), as required for construction activities relating to each section of the related civil works contract under the project; and (iv) reinstate utilities and make good any damage or disturbances caused by civil works, following completion of the civil works.

C. Execution of Civil Works Contracts

50. The FATA Secretariat will ensure that, subsequent to award of civil works contract, no part of the work will be handed over to the contractor until the applicable provisions of the EMPs and LARP, (particularly, the timely delivery of compensation to affected families, if any) have been complied with. The FATA Secretariat will also ensure that civil works will only start once the respective EMP has been prepared by the contractor and endorsed by the EA/PMU. Any changes to the location, alignment or environmental impacts arising from changes in design of any component and/or sub-project will be subject to prior approval by ADB and the relevant government agency of the Government of Pakistan in accordance with the ADB's SPS and applicable laws.

D. Labor, Gender, Health, and Social Protection

51. The FATA Secretariat will include a specific provision in the bidding documents to ensure that civil works contractors: (i) comply with core labor standards, applicable laws and regulations in Pakistan and incorporate applicable workplace occupational safety norms; (ii) do not differentiate payment between men and women for work of equal value; (iii) do not employ child labor in the construction and maintenance activities; (iv) eliminate forced or compulsory labor; (v) eliminate employment discrimination; (vi) allow for freedom of association; and (vii) to the extent possible, maximize employment of local poor and disadvantaged persons for project construction purposes, provided that the requirements for job and efficiency are adequately met. The FATA Secretariat will ensure that appropriate entities (such as nongovernment organizations or other civil society groups) disseminate information on the risks of sexually transmitted infections, including HIV/AIDS, to the employees of civil works contractors engaged for the project and to members of the local surrounding communities.

E. Land Acquisition and Resettlement Activities Monitoring

52. **Internal and External Monitoring:** The Project Implementation Units will serve as the Project's internal monitoring body. Quarterly reports will be submitted to the Project Management Unit (PMU) starting from the commencement of RP updating, which coincides with the conduct of the detailed measurement survey and other RP updating activities. The PMU in turn will include updates on resettlement in its regular progress reports to ADB. Social monitoring reports will be made available to the affected households and will be submitted to ADB for web posting.

53. The main objective of external monitoring is to provide an independent periodic review and assessment of (i) achievement of resettlement objectives; (ii) changes in living standards and livelihoods; (iii) restoration and/or improvement of the economic and social base of the affected people; (iv) effectiveness and sustainability of entitlements; and (v) the need for further mitigation measures. Details are in the LARF (Annex 5)

F. Environmental Safeguards Monitoring

54. The extent of monitoring activities, including their scope and periodicity, will be commensurate with the project's risks and impacts. FATA Secretariat will be required to implement safeguard measures and relevant safeguard plans, as provided in the legal agreements, and to submit periodic monitoring reports on their implementation performance. ADB will require the FATA Secretariat to undertake the following (more details are in Annex 6):

- Establish and maintain procedures to monitor the progress of implementation of EMPs.
- Verify the compliance with environmental measures and their progress toward intended outcomes.
- Document and disclose monitoring results and identify necessary corrective and preventive actions in the bi-annual environmental monitoring reports.
- Follow up on these actions to ensure progress toward the desired outcomes.
- Submit to ADB semi-annual environmental monitoring reports on implementation of the EMP and the environmental covenants in the legal agreements.

G. Indigenous Peoples Plan Monitoring

55. The project has not triggered ADB's Indigenous Peoples Policy.

VIII. GENDER AND SOCIAL DIMENSIONS

56. A draft Gender Action Framework (Annex 7) has been developed to outline the gender mainstreaming strategy of FWRDP. The PRM Gender Consultant will work closely with the PMU's Social Development Officer to develop gender responsive mechanisms to better cater to the needs of women and to strengthen the gender mainstreaming processes. Both parties will work with the Project Director to ensure the civil works bid documents include gender-focused activities outlined in the Gender Action Framework. In addition to oversight and reporting against the indicators of FWRDP gender action framework, the Social Development Officer will assess and identify the entry points for gender mainstreaming in subprojects and assist in developing gender responsive mechanisms, coordinate gender mainstreaming work with other donors and civil society organizations, and participate in existing local gender focal group.

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING AND COMMUNICATION

A. Project Design and Monitoring Framework

Design Summary	Performance Targets/Indicators	Data Sources/ Reporting Mechanisms	Assumptions and Risks
<p>Impact Farm incomes in the project areas (Bajaur, Khyber, and Mohmand agencies) are increased</p>	<p>By 2022: Average agency per capita incomes increased as follows:</p> <ul style="list-style-type: none"> • Bajaur - \$2.31/day (112% increase), (2014 baseline - \$1.09/day) • Mohmand - \$1.44/day (144% increase), (2014 baseline \$0.59/day) • Khyber - \$1.21/day (89% increase) (2014 baseline \$0.64/day) 	<p>FATA Development Bureau of Statistics Cell, Planning & Development Department, FATA Secretariat</p>	<p>Assumption Government will continue to pursue socio-economic development of FATA.</p>
<p>Outcome Agricultural productivity in project areas is improved</p>	<p>By 2020: Average crop intensity increased as follows:</p> <ul style="list-style-type: none"> • Bajaur 165% (2014 baseline 79%) • Mohmand 155% (2014 baseline 97%) • Khyber 152% (2014 baseline 57%) <p>By 2020: Average crop yields in project areas improved as follows:</p> <ul style="list-style-type: none"> • Wheat 2.46 t/ha (2014 baseline 1.37/ha) • Maize 2.24 t/ha (2014 baseline 1.44/ha) • Vegetables 9.17 t/ha (2014 baseline 7.19/ha) 	<p>FATA Development Bureau of Statistics Cell, Planning & Development Department, FATA Secretariat</p> <p>EA baseline and project completion surveys</p> <p>EA PPMS semi-annual reports</p> <p>EA quarterly and annual progress reports</p> <p>EA project completion report</p>	<p>Assumptions Political and social conditions remain conducive to project implementation.</p> <p>Development of water resources and irrigation remains a government priority.</p> <p>COs/communities are willing and able to carry out O&M activities.</p> <p>Risk The security situation delays implementation of project activities</p>
<p>Outputs 1. New irrigation infrastructure is constructed</p> <p>2. On-farm water management is</p>	<p>By 2020 The command area receiving secure irrigation supply increased to 4,615 ha (2014 baseline = 0 ha)</p> <p>Average irrigation requirements reduced to</p>	<p>EA PPMS semi-annual reports</p> <p>EA quarterly and annual progress reports</p> <p>EA Project completion report</p>	<p>Assumption Political and institutional support is adequate for effective project implementation.</p> <p>Risks Security situation</p>

Design Summary	Performance Targets/Indicators	Data Sources/ Reporting Mechanisms	Assumptions and Risks
<p>improved</p> <p>3. Watershed management is improved</p> <p>4. Project management</p>	<p>3.70 mcm/ha from land leveling by 2019</p> <p>Water measuring gauges installed and provide real-time information</p> <p>Approximately 5,050 ha of targeted watersheds have effective vegetation cover (2014 baseline = 0 ha)</p> <p>Over 90% of contracts are awarded and completed on time and within budget</p> <p>Quarterly progress reports, annual reports, audit reports, are submitted within four weeks of due date</p>		<p>precludes timely implementation of sub-projects.</p> <p>Delays incurred in recruiting consultants and tendering of civil works contracts.</p> <p>Lack of interest by qualified consulting firms and contractors.</p>
Activities with Milestones			Inputs
<p>1. New irrigation infrastructure is operational</p> <p>1.1 Prepare feasibility studies for remaining sub-projects (November 2016)</p> <p>1.2 Construct 9 small concrete gravity dams (March 2019)</p> <p>1.3 Construct 31 diversion weirs (September 2019)</p> <p>1.4 Gender design features (e.g. washing pads, safe and easy access for water fetching) included in 15% of the sub-projects (September 2019)</p> <p>1.5 Construct 95 km main and secondary channels (December 2019)</p> <p>2. On-farm water management is improved</p> <p>2.1 Construct 144 km of field channels (March 2020)</p> <p>2.2 Installation of turn out structures (March 2020)</p> <p>2.3 Installation of water monitoring equipment (June 2019)</p> <p>2.4 Complete terracing and land leveling (March 2020)</p> <p>3. Management of watersheds improved</p> <p>3.1 Identify areas for watershed work in 37 subprojects (31 June 2016)</p> <p>3.2 Prepare of watershed management manual (31 December 2015)</p> <p>3.3 Raising of nurseries and plantation works on 5,050 ha (March 2020)</p> <p>3.4 Construct check dams in select watersheds (March 2020)</p> <p>4. Effective project management</p> <p>4.1 Establish PMU and PIUs and recruit key staff (April 2015)</p> <p>4.2 Recruit design and supervision consulting firm (July 2015)</p> <p>4.3 Procure vehicles and project equipment (June 2015)</p> <p>4.4 Establish accounting and financial management system and train staff (June 2015)</p> <p>4.5 Undertake baseline survey (September 2015)</p> <p>4.6 Operational M&E/PPMS system (October 2015)</p> <p>4.7 Conduct mid-term review (June 2017)</p> <p>4.8 Project completion survey completed (January 2020)</p> <p>4.8 EA project completion report (March 2020)</p> <p>4.9 Closing of loan (30 September 2020)</p>			<p>ADB Loan - \$42.97 million (ADF)</p> <p>Government - \$4.93 million</p>

B. Monitoring

57. To monitor progress of the project in achieving the planned outcome and outputs, the EA will establish and maintain a Project Performance Monitoring System (PPMS), in accordance with ADB's Project Performance Monitoring System Handbook not later than six (6) months after project implementation begins, which will be updated on a semi-annual basis. The draft PPMS has been designed to permit adequate flexibility to adopt remedial actions regarding project design, schedules, activities, and development impacts. The draft PPMS includes the following indicators, among others: (i) project outcome, outputs and inputs, (ii) safeguards compliance, (iii) gender and social dimensions, and (iv) compliance with loan covenants.

58. At the beginning of project implementation, the EA will develop comprehensive PPMS procedures to systematically generate data in the above areas in consultation with implementing agencies and with the assistance of consultants. The EA will refine the PPMS framework, confirm achievable targets and monitoring and recording arrangements, and establish relevant systems and procedures. The PMU staff, with the support of a team of consultants, will collect baseline and progress data to develop the PPMS, and regularly monitor and report on PPMS activities. The PPMS procedures, performance indicators and their targets will be reviewed and approved by ADB.

C. Project Review

59. A project inception mission will be fielded within two months of loan effectiveness. ADB will conduct regular (at least three times per year) review missions during project implementation to assess implementation performance and progress towards achievement of project outcome and outputs; examine financial progress; and identify issues and constraints affecting the project and agree with the EA time-bound action plans for their resolution.

60. A mid-term review mission will also be undertaken within 30 months of loan effectiveness. This review will include a comprehensive assessment of project performance, identify any problems and constraints affecting project implementation, and reach agreement with the EA on required changes to address project shortcomings.

61. The FATA Secretariat will monitor project implementation in accordance with the schedule and time-bound milestones, and keep ADB informed of any significant deviations that may result in the milestones not being met. The EA will submit the mid-term review report to ADB three (3) weeks in advance of the planned mid-term review. This will be used as a basis to thoroughly assess project performance and progress towards meeting the expected outcomes and impacts, and agree on any necessary changes to Project scope or implementation arrangements. Within three (3) months of physical completion of the project, ADB will conduct a project completion review.

D. Reporting

62. The EA will provide ADB with (i) quarterly progress reports; (ii) semi-annual PPMS reports; (iii) consolidated annual reports including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions; (c) updated procurement plan and (d) updated implementation plan for next 12 months; and (iv) a project completion report within three (3) months of physical completion of the Project. The government will publicly disclose project information on websites, including information on use

of funds, implementation plans, procurement activities, contract awards, and grievance redress actions.

E. Stakeholder Communication Strategy

63. As part of the project preparation process, interviews were conducted with communities about the proposed project. The respondents belonged to all walks of life and included residents, farmers, community leaders, key influential persons, businessman, labors, and all possible stakeholders. The respondents were interviewed regarding the socio-economic status of the household and potential benefits/problems related to the project. The communities were also consulted to ascertain their views regarding the alternatives in case of a perceived adverse effect of the project.

64. The project includes resources for community mobilization. A key aspect of the mobilization process will be consultations with the communities. Accordingly, during project implementation local communities and other stakeholders will be provided with relevant project information to ensure transparency and develop a close link with, and understanding of the targeted beneficiaries of the project procedures for different interventions. The project's communications strategy will ensure that the intended benefits of the project are widely communicated among the population of the project area, while simultaneously managing expectations. Relevant PMU and PIU staff will develop the communications strategy as part of its community outreach plan. The communications strategy would essentially serve the following objectives: (i) Ensure that communities are kept well informed on a continuous basis, about the objectives and interventions of the project; (ii) respond to queries on the project; and (iii) ensure communities and other stakeholders are aware of complaints registration and tracking system.

Safeguards Consultations and Information Disclosure

65. **Involuntary Resettlement.** Each resettlement plan will be prepared and implemented in close consultation with the stakeholders and will involve focus group discussions and meetings, particularly with the affected persons. Consultations will be gender inclusive and ensure vulnerable households are included. The decisions of such meetings will be recorded, and these records will indicate the responsibility and timeline for implementing the decisions. Each resettlement plan will document all public consultations held and the disclosure of resettlement information. During resettlement plan preparation, resettlement information will be disclosed to all displaced persons (DP) in their own language, and their views and opinions will be taken into consideration in finalizing the plans. Since many DPs are likely to be non-literate, the LARPs will be explained to them in separate groups. Particular attention will be placed on including women and vulnerable groups in all consultations.

66. The summary of the Resettlement Plans (RP) will be disclosed on ADB and FATA Secretariat websites and the consultation will continue throughout the project implementation period. In case there is no impact and no RP, the EA will make disclosure of the same – informing the main villages, habitations, market places in the sub-project area that no land or structure will be affected by any activities of this project. Final LARPs will be translated into local languages and disclosed through public notices posted at the EA/IA offices and posted on ADB's website. Affected people will be closely consulted in resettlement site selection and livelihood restoration as relevant.

67. **Environment.** For all subprojects, consultations will take place between the FATA Secretariat and the local communities, facilitated by the Political Administration of the said

Agency. Detailed Terms of Partnership (TOP) will be developed, signifying the roles and responsibilities of all stakeholders and will be signed by the communities. A consultation exercise will be conducted at the design stage, with the following objectives:

- (i) To identify the direct and indirect beneficiaries of the sub-project.
- (ii) Inform the communities of the costs of the sub-project and verify the need for the sub-project.
- (iii) Inform the stakeholders of its impacts based on the REA Checklist classification and assessment.
- (iv) Seek the consent of the communities and sign the TOP.
- (v) Inform the communities of the Grievance Redress Mechanism (GRM) and facilitate community nominations.

68. A second round of consultations will take place prior to the initiation of construction, with the following objectives:

- (i) To inform the stakeholders, including beneficiary communities, of the scope of work, construction schedule, and likely effects the construction activity will have on their routines.
- (ii) Dissemination of EMP, and anticipated environmental impacts of the project, with the suggested mitigation measures.
- (iii) Information about Grievance Redress Mechanism, and access of communities to it.
- (iv) Overall benefits of the project.

69. Pursuant to ADB's Safeguard Policy Statement (2009) (SPS),²⁴ ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the SPS. ADB will ensure that the project is in compliance with applicable national laws and regulations and will be bound by the prohibited investment activities list.

Assurances

70. In addition to the standard covenants, the Governments of Pakistan and Punjab have given the following assurances, which will be incorporated as appropriate in the legal documents for the project.

71. **Safeguards.** The Borrower will ensure that the project is implemented in full compliance with (i) all applicable laws and regulations of the Government of Pakistan and ADB's SPS (2009), (ii) respective resettlement plans, initial environmental examination reports, and environmental management plans.

72. **Land Acquisition and Involuntary Resettlement:** The Government and the FATA Secretariat will ensure for each sub-project that all land and all rights-of-way required for each sub-project and all sub-project facilities are made available to the respective works contractors in accordance with the schedule agreed under the related works contract and all land acquisition and resettlement activities are implemented in compliance with (a) all applicable laws and regulations of Pakistan relating to land acquisition and involuntary resettlement; (b) the principles and requirements set forth in Chapter V, Appendix 2, and Appendix 4 (as applicable) of the Safeguard Policy Statement 2009 (SPS); (c) the land acquisition and resettlement

²⁴ Available at: <http://www.adb.org/Documents/Policies/Safeguards/Safeguard-Policy-Statement-June2009.pdf>

framework (“LARF”) for the Project; and (d) all measures set forth in the land acquisition and resettlement plan (“LARF”) for such sub-project, and any corrective or preventative actions set forth in a safeguards monitoring report.

73. **The Government and the FATA Secretariat will ensure that no physical or economic** displacement takes place in connection with any sub-project until:

- Compensation and other entitlements have been provided to affected people in accordance with the LARP for such sub-project; and
- A comprehensive income and livelihood restoration program has been established in accordance with the LARP for such sub-project.

74. **Environment. The FATA Secretariat will ensure that the preparation, design, construction,** implementation, operation and decommissioning of each sub-project and all sub-project facilities comply with (a) all applicable laws and regulations of Pakistan relating to environment, health, and safety; (b) the principles and requirements set forth in Chapter V, Appendix 1, and Appendix 4 (as applicable) of the SPS; (c) the environmental assessment and review framework (EARF) for the Project; and (d) all measures and requirements set forth in the initial environmental examination (IEE) and the environmental management plan (EMP) for each sub-project, and any corrective or preventative actions set forth in a safeguards monitoring report.

75. **Indigenous Peoples.** The Government and the FATA Secretariat will ensure that each sub-project does not have any indigenous people’s impacts within the meaning of the SPS. In the event that any Subproject does have any such impact, the FATA Secretariat will take all steps required to ensure that such sub-project complies with the applicable laws and regulations of Pakistan and with the SPS.

76. **Labor and Health Standards.** The Government and the FATA Secretariat will ensure that the works contract for each sub-project incorporates provisions to the effect that the contractor will: (a) comply with applicable core labor standards and labor laws, and incorporate applicable workforce occupational safety norms; (b) comply with the applicable provisions of the Gender Strategy for such sub-project, including equal pay to men and women for the same type of work and enabling working conditions for female workers; (c) not employ child labor; (d) abstain from compulsory labor; (e) abstain from employment discrimination; (f) allow for freedom of association; (g) to the extent possible, maximize employment of local poor and disadvantaged persons for project construction purposes, provided that the requirement for job and efficiency are adequately met; and (h) provide safe working conditions.

77. The Government and the FATA Secretariat will ensure that works contractor for each sub-project disseminates information (in local languages) on the risks of sexually-transmitted diseases, including HIV/AIDs, in health and safety program for all construction works at campsites. The Government will ensure and will cause the FATA Secretariat to ensure that specific provisions to this effect will be included in the bidding documents and works contract for each sub-project, and the Government will ensure that compliance will be strictly monitored by the FATA Secretariat.

78. **Counterpart Funding.** The Government will ensure that necessary counterpart funds are available and released on a timely basis to the FATA Secretariat for implementation of the

Project. The Government, through the FATA Secretariat, will annually update its irrigation, agriculture and forestry sector development programs to incorporate revised estimates and funding requirements for the Project.

79. **Policy Dialogue.** The Government and the FATA Secretariat will ensure that: (a) ADB is kept informed of the policies and programs of the Government for the irrigation sector (particularly as they relate to the FATA), including those under discussion with other multilateral and bilateral agencies and those that may materially affect the economic viability of the Project or any Subproject; and (b) ADB is given an opportunity to comment on any proposed new irrigation sector policies or programs.

80. **Operation and Maintenance (O&M).** Prior to the commencement of each proposed sub-project, the FATA Secretariat and the relevant Community Organization will have entered into a Terms of Partnership ("TOP") setting forth, among other relevant terms, the details of the preparation and implementation of such Subproject (including information on any land to be voluntarily contributed by the community for such sub-project) and subsequent operation and maintenance of the facilities financed under such sub-project, which such TOP will have been approved by the Political Administration.

81. Each TOP for a sub-project involving construction of a dam will stipulate that the Irrigation Department will carry out at least four annual inspections of such dam and its appurtenant structures. Repairs to dams and appurtenant structures would be carried out by the Irrigation Department, using its own maintenance and rehabilitation funds. Each TOP for a sub-project involving the construction of a weir or irrigation channel will stipulate that the relevant Community Organization will be responsible for operation and maintenance of such weir or irrigation channel from such Community Organization's own funds, provided, that, any major repairs to such facilities shall be carried out by, and at the expense of, the FATA Secretariat, through its Irrigation Department.

82. The FATA Secretariat will ensure that each completed sub-project facility is operated and maintained in accordance with the TOP for such sub-project and otherwise in accordance with sound administrative policies and procedures and as set forth in the applicable TOP for such sub-project. The Government, through the FATA Secretariat, will ensure adequate funds are allocated in its annual budgets and made available during the period of Project implementation and each fiscal year thereafter to enable the FATA Secretariat to comply with its operation and maintenance obligations under each TOP entered into in respect of a sub-project.

83. **Good Governance and Anticorruption.** The Government, the FATA Secretariat, and each Project implementing agency will (a) comply with ADB's Anticorruption Policy (1998, as amended to date) and acknowledge that ADB reserves the right to investigate directly, or through its agents, any alleged corrupt, fraudulent, collusive or coercive practice relating to the Project; and (b) cooperate with any such investigation and extend all necessary assistance for satisfactory completion of such investigation.

84. The Government, the FATA Secretariat and each Project implementing agency will ensure that the anticorruption provisions acceptable to ADB are included in all bidding documents and contracts, including provisions specifying the right of ADB to audit and examine the records and accounts of the executing and implementing agencies and all contractors, suppliers, consultants, and other service providers as they relate to the Project.

85. The Government will cause the Planning and Development Department of the FATA Secretariat to establish a website for the Project which will include updated information on the Project. Such information will include, among other things, (i) the Project financial statements; (ii) summary progress reports for the Project; and (iii) procurement-related information, including lists of participating bidders, names of winning bidders, basic details on bidding procedures adopted and applicable guidelines, amount of contract awards, the list of goods and/or services purchased and their intended and actual utilization.

X. ANTICORRUPTION POLICY

86. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the project. All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the EA and all Project contractors, suppliers, consultants and other service providers. Individuals/entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the FWRDP.

87. To support these efforts, relevant provisions are included in the Loan Agreement regulations and the bidding documents for the project. The Government will comply with, and will ensure that PID complies with, ADB's Anticorruption Policy (1998, as amended to date). The Government, consistent with its commitment to good governance, accountability and transparency, agrees (a) that ADB has the right to investigate, directly or through its agents, any alleged corrupt, fraudulent, collusive or coercive practices relating to the project; and (b) to cooperate fully with any such investigation and to extend all necessary assistance, including providing access to all relevant books and records, as may be necessary for the satisfactory completion of any such investigation. In addition, the Government will (a) conduct periodic inspections on the contractors' activities related to fund withdrawals and settlements; (b) ensure that all contracts financed by ADB in connection with the project include provisions specifying the right of ADB to audit and examine the records and accounts of all contractors, suppliers, consultants, and other service providers as they relate to the project; and (c) the construction supervision consultant shall verify the contractors' invoices in accordance with working drawings and contract specifications.

XI. ACCOUNTABILITY MECHANISM

88. People who are, or may in the future be, adversely affected by the project may address complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make a good faith effort to solve their problems by working with the concerned ADB operations department. Only after so doing, and if still dissatisfied, should they approach the Accountability Mechanism.

XII. RECORD OF PAM CHANGES

89. The PAM has been updated by incorporating changes in the implementation plans of irrigation and roads components, revising number of contracts and their values in the procurement plans, revising person-months input of consulting services, and removing inconsistencies within various sections. This updated version is based on the current status of implementation and plans for implementation in next 5 years until 30 June 2019. An update may

be required after June 2019, depending upon implementation status as per current plans. A matrix of changes made to the original PAM has been prepared and is attached as Annex 8.

Figure 1: Map of Project Area (Bajaur, Mohmand and Khyber Agencies)

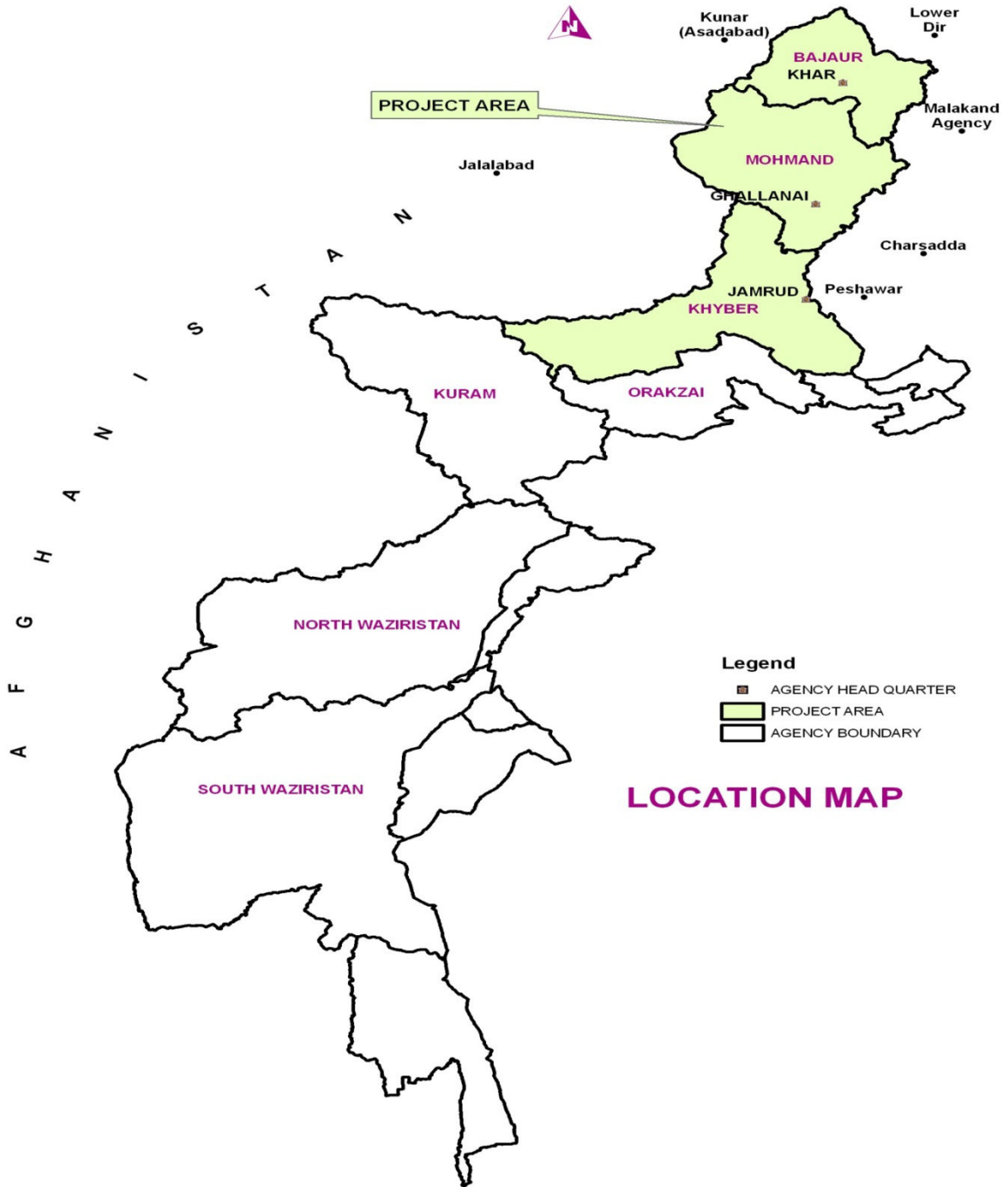
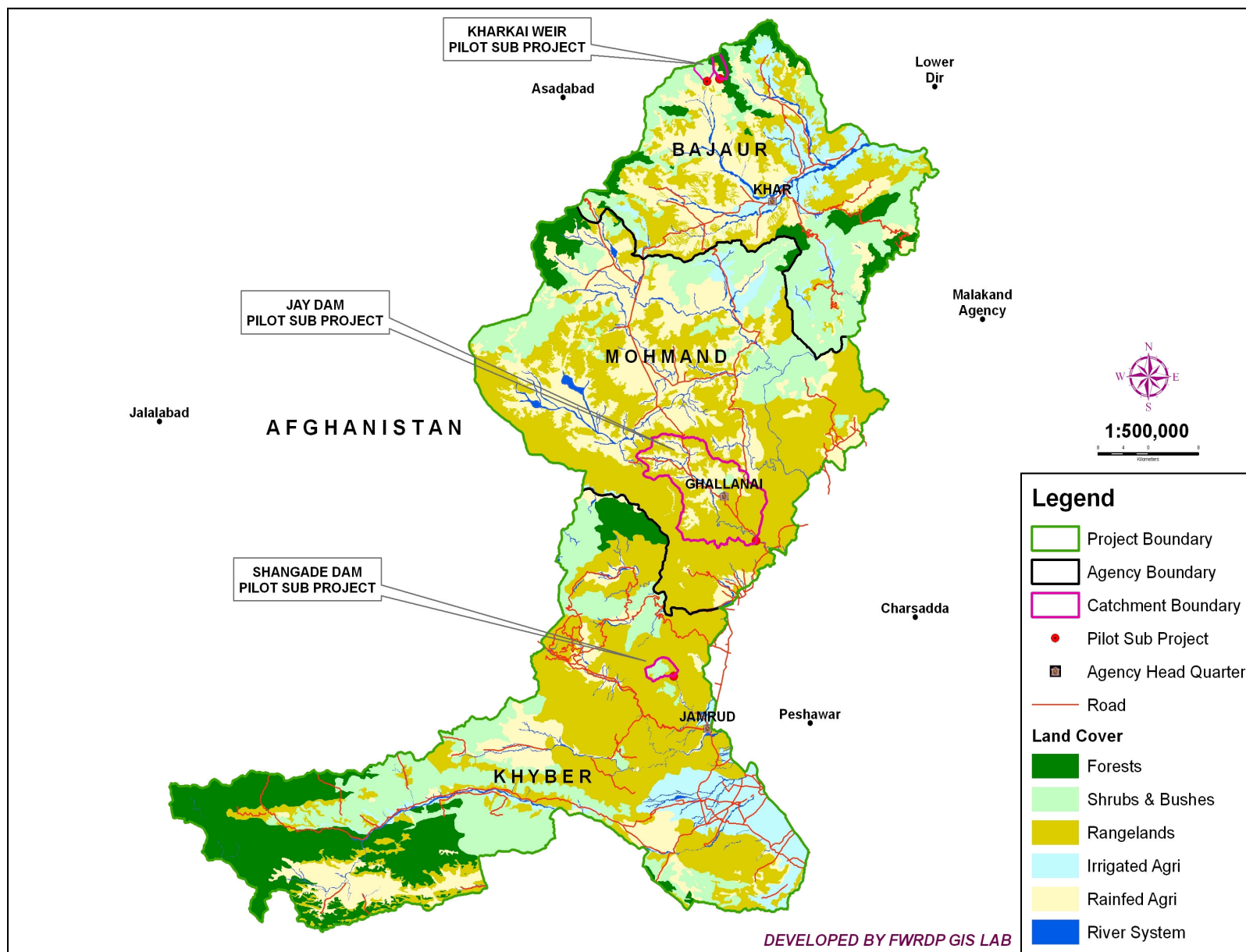


Figure 2: Map of Pilot Subprojects



SELECTION CRITERIA FOR SUB-PROJECTS

- (i) The communities agree to voluntarily provide land for both constructions of the storage facility, the inundation area, channel, and any appurtenant structures as their contribution to the project.
- (ii) The communities are willing to take ownership for operation and maintenance of weirs, channels and on farm facilities from their own resources.
- (iii) Subprojects should be free of conflict with regard to land and water rights.
- (iv) Subprojects requiring major involuntary resettlement will not be selected.
- (v) Subprojects must meet all social and environmental safeguards requirements of ADB.
- (vi) Subproject area should not have major security concerns.
- (vii) The community organizations must ensure equity. Subprojects must benefit all potential farmers and not just those located at the head reach of channels.
- (viii) Land ownership of one farmer should not exceed 25% of the total command area under the subproject.
- (ix) Subprojects should not affect water supplies (ground and surface) currently exploited for domestic or other uses.
- (x) Small reservoirs and ponds should be sited to minimize conveyance and evaporation losses.
- (xi) Small reservoirs must be developed with international best practices for safety and should not increase flood risk to local communities.
- (xii) Maximum height of a dam will not exceed 15 meters.
- (xiii) Subprojects will be assessed for technical and economic viability before approval.
- (xiv) Subprojects identified only by the water assessment study conducted under FRDP will be considered.
- (xv) Duplication with other interventions in the project area will be avoided.
- (xvi) Minimum 75% of proposed command area should have soils suitable for agriculture.

LIST OF SUB-PROJECTS BY AGENCY

Bajaur Agency

S. No.	Subprojects	Watershed
1	Kharkai Weir Subproject	Wara Mamund
2	Malkare Kalay Weir Subproject	Salarzai - III
3	Serai Kalay Weir Subproject	Salarzai - III
4	Sro Wona and Loe Kalay Weir Subproject	Salarzai - II
5	Shunga Weir Subproject	Charmang
6	Bando Kalay Flood Carrier Diversion and Channel Subproject	Kamagara
7	Hilal Kalay Spring-based Irrigation Channel Subproject	Charmang
8	Hasham Charmang Spring Irrigation Subproject	Charmang
9	Nalaikas Kalay Weir Subproject	Charmang
10	Bar Kit Kot Weir Subproject	Loi Mamund
11	Damano Weir Subproject	Salarzai - III
12	Tarano Weir Subproject	Salarzai - III
13	Daman Weir Subproject	Arang
14	Kamangara Weir Subproject	Kamagara
15	Bar Sadin Kakay Spring-based Irrigation Subproject	Salarzai - II
16	Kotki & Dagai Flood Carrier Diversion and Channel Subproject	Alizai
17	Kashin Kalay Spring Irrigation Subproject	Salarzai - II
18	Lakian Kalay Weir Subproject	Salarzai - III
19	Hashim Baghicha Weir Subproject	Charmang
20	Bara Kamangara Weir Subproject	Kamagara
21	Zargari Weir Subproject	Kamagara
22	Badi Samoor Weir Subproject	Salarzai-I

Khyber Agency

S. No.	Subprojects	Watershed
1	Shangade Dam Sub Project	Kuki Khel
2	Tangi Dam Sub Project	Bazar Valley
3	Tarkho Kats Weir	Tarkho Kats
4	Magoo Dand Dam Sub Project	Bara
5	Barar Kach Dam Sub Project	Bazar Valley
6	Qadum Irrigation Sub Project	Jamrud

Mohmand Agency

S. No.	Subprojects	Watershed
1	Jay Dam Subproject	Ekka Ghund-I
2	Maddar Irrigation Subproject	Qasim Khel
3	Had Kalay Weir Subproject	Umbar
4	Mundara Kalay Weir Subproject	Umbar
5	Sara Shah Kalay Weir Subproject	Umbar
6	Danish Kool Weir Subproject	Upper Pandiali
7	Ganjyanu Weir Subproject	Upper Pandiali
8	Sorai Kalayi Weir Subproject	Umbar
9	Tanga Danish Cool Dam Subproject	Upper Piandiali
10	Haider Khan Kalay Dam Subproject	Ekka Ghund -III
11	Extension of Mechanai Dam Irrigation System & Provision of Auxiliary Spillway Subproject	Qasim Khel
12	Qasim Khel Dam Subproject	Qasim Khel

FINANCIAL MANAGEMENT ASSESSMENT

Key findings of the Financial Management Assessment undertaken for the FATA Water Resources Development Project during project preparation are as follows:

Area of Assessment	Findings
Executing and implementing agencies	FATA Secretariat is the Executing Agency and follows the Government of Pakistan's Accounting and Auditing procedures.
Major Experiences of Managing Externally financed projects	The FATA Secretariat works with the World Bank, ADB, USAID, DFID and other major donor agencies and has good experience of implementing and managing large and small externally funded projects. The last such project funded by ADB was the FATA Rural Development Project, which was closed in March 2012.
Fund Flow Arrangements	<p>An Imprest Account (IA) in US Dollars (USD) will be established at the National Bank of Pakistan Main Branch in the city of Peshawar. Such bank account is also called First Generation Imprest Account (FGIA). Funds in the account will be received from Asian Development Bank (ADB) in USD. Receipts in the account will be based on the initial advance mentioned in the Loan Agreement to a maximum of 10% of the total loan amount. Funds in the account will be utilized for meeting approved percentage of actual expenditure on behalf of ADB. A separate Pak Rs Account for ADB funds is opened simultaneously to which the US dollars received in the imprest account get credited. Disbursement from the account will be made in Pakistan Rupees (PRs) . The account will be operated by the Project Director and Deputy Director, Finance & Administration jointly on project expenses to be met from ADB's share, including for items such as salaries, equipment and supplies, civil works, consultants, environment and social costs, administrative costs, etc., as per Schedule 3 of the Loan Agreement. Receipts in the account will take place through submission of Statement of Expenditure (SOE) at regular intervals.</p> <p>All payments for procurement of goods, works and services will be made by the PMU from either imprest or assignment account, depending on the nature of expense as defined in the budget to be met from either the donor or the government funds.</p>
Organization and Staffing	Organogram and staffing are on pages 26, 27 and 28 of the Financial Management Assessment Report. There will be a Project Management Unit (PMU) headed by a Project Director, and three Project Implementation Units (PIUs) headed by Project Managers.
Accounting Policy and Procedures	Funds will be channeled through the Government systems; therefore, the project spending will be governed by the relevant statutes and set of rules promulgated by the Government of Pakistan. Article-170 (1) of the Constitution of Pakistan, enunciating the responsibility in relation to the accounts for the Federation and Provinces, empowers the Auditor General Pakistan to formulate principles and methods for public sector accounting. In pursuance of the provisions of Article-170, the Office of Auditor General prescribed in the New Accounting Model (NAM) in the year 2000, stipulating the key principles of public sector accounting system. The NAM includes a Chart of Accounts(CoA) allowing for classification of financial transactions, while the Manual of Accounting Principles defines a broad framework for bookkeeping, concurrently assigning accounting and financial responsibilities.
Segregation of Duties	Upon filling of all vacant as set out in the Organization Chart, no issues vis-à-vis control are seen.
Budgeting System	The budgeting process in Pakistan is initiated with issuance of Budget Call

Area of Assessment	Findings
	<p>Calendar (BCC) by the Finance Division/Department. After issuance of BCC, P&D issues guidelines to the Administrative Departments for development budget that are circulated to the spending units. In case of Projects, PC-I/II, as the case may be, is the core document that Finance staff of the Project relies on, which in case of FATA is approved by the Federal Government prior to Project effectiveness. PC- I/II carries a financing schedule for the project life which is a commitment on part of the Government to allocate requisite fiscal resources to Projects.</p>
Payments	<p>The Imprest Account and Assignment Accounts used for funds disbursement, generally used in such projects need regular reconciliations and have an in built check and balance system. The Imprest Account in such projects is generally used for the donor funds while the assignment account is used for Government counterpart funds. The loan agreement outlines the procedures for operating both accounts through the National Bank of Pakistan. Payments to be made from both accounts are also identified before initiation of the project. In a decentralized financial system, funds are transferred to PIUs and payments made from the bank accounts maintained by the PIUs. This defeats the checks and balance system applicable to the Imprest and Assignments accounts maintained at the PMU level e.g. in one of the projects all balances at the end of project were transferred from the imprest and assignment accounts to the PIUs' accounts and shown as utilized. The ideal way would, therefore, be to make all payments related to the vendors and contractors directly from the assignment accounts maintained at PMU and operated jointly by the Project Director and Project Accountant. The issues of delay in processing the payments should be addressed by developing professional Standard Operating Procedures (SOPs) and computerization of the financial management systems.</p>
Policies and Procedures	<p>Accounting standards and practices are based on Pakistan National Accounting Standards which are in compliance with International Accounting Standards. FATA uses these systems and procedures so no major issues noted.</p>
Safeguard Over Assets	<p>The Finance Department of PMU will update and maintain the fixed asset register for all new purchases, acquisitions, and decommissioned assets. The update and maintenance shall include the introduction of any new functions, value revisions, and changes in depreciation schedules. Quarterly detailed reports should be issued to all concerned internal and external departments and entities along with a summary report for all new additions and deletions from the fixed asset register.</p> <p>The Finance Department shall also conduct periodic physical verification of the authenticity, accuracy and completeness of data in the fixed asset register. It is proposed that this be conducted once bi-annually to cross check and verify the generated monthly reports. Since inventory policies and procedures are not static, an inventory policies and procedures manual should be prepared. Inventorying policies, procedures, codes, forms and personnel training procedures should be included.</p>
Other Offices	<p>There will be Project Implementation Units (PIUs) in each of the three agencies, i.e. Bajaur, Mohmand and Khyber agencies. All financial transactions will be processed at the PMU. For petty expenses, petty cash will be maintained in each agency from the funds contributed by the government.</p>
Other	<p>A substantial part of the payroll is managed outside the system. The portion of the payroll that is processed through the system is not integrated with the personnel record. Payroll is entered in FABS which provides a good internal control system for personnel records and payroll. The changes are made only after pre-audit and authorization of payroll changes by the authorized officer.</p>

Area of Assessment	Findings
	<p>There is good evidence of appropriate segregation of duty. Payroll revisions are announced by the Finance Department, sanctions are prepared by the relevant department, pre-audit of claims are done by the relevant section of AGPR and once authorized changes are entered into the system. The bulk of payroll data is computerized and payments are remitted directly to the bank accounts of employees. The payment of levies, however, is made in cash which creates a weak internal control environment. Budgeting of payroll of levies administration is not done at the level of Finance Department and almost 50% of teachers also receive their salaries in cash.</p> <p>The DDOs maintain master record of employees and ensures that payment is made to the legitimate employees. The Auditor General of Pakistan (AGP) annually audits the payroll for financial regularity. This audit is done manually and the entities are subjected to audit on rotation and during 3 years period all entities are audited. Limited payroll data can be accessed through FABS; therefore, this provides a good opportunity for IT audit of payroll. Physical verification of ghost workers is a major challenge in FATA. Many regions like North Waziristan are largely inaccessible. In such a conflict situation it is extremely difficult to keep track of the employee attendance.</p>
Internal Audit	Internal audit is presently non-existent and is only beginning to be established. FATA Secretariat is now committed to establishing internal audit for FATA directly under the Additional Chief Secretary. Both, extension of FABS and development of Internal Audit Department, are recognized as strategic reform areas to help address the deep seeded problems of financial control and accountability and need to be strengthened.
External Audit	To be conducted by the Department of Auditor General of Pakistan which has improved its processes to audit externally financed projects.
Reporting & Monitoring	The PMU has been provided with the templates for project financial statements and it will be trained by ADB after loan effectiveness. The external auditor will express an opinion on the project financial statements.
Information Systems	It is observed that projects generally have manual accounting systems that results in increased work load and effort of accountants, risk of errors and inefficient ways of recording and reporting. The project financial statements are used by the respective project directors, concerned officials at the FATA Secretariat / ministries, ADB and by the external auditors. Therefore, it is highly recommended that professional accounting software should be used to record and report all transactions right from inception. Further, integration with the Government's FABS, which is fully operational in all agencies except North and South Waziristan, is strongly recommended in FWRDP. This will help resolve the reconciliation process and also provision of timely reports. The project may try to develop a software or MIS which caters to the requirements of donors and also gets integrated with FABS. This effort will help other donors and projects in bringing transparency, accountability, ownership and uniformity in financial management systems related to projects.

DRAFT TERMS OF REFERENCE FOR DESIGN AND SUPERVISION CONSULTANTS

A. Background

1. The Federally Administered Tribal Areas Water Resources Development Project (FWRDP) will address low farm productivity, high poverty incidence, and pervasive food insecurity in the Federally Administered Tribal Areas (FATA) by increasing agriculture production and household incomes through the provision of a reliable supply of irrigation water to non-irrigated farm lands and through development of irrigation systems on rain fed and non-cultivated lands. FWRDP will also strengthen the region's natural resource base by improving select watersheds, enhance recharging of underground aquifers and reduce the impact of floods, and result in more efficient use of scarce water resources. The project will benefit 116,751 households or approximately 1.4 million people in the project area and improve around 9,700 hectares (ha) of land. The project includes the construction of new irrigation infrastructure, improved on-farm water management through support for activities such as construction of lined watercourses, terracing and land leveling, and watershed management.

2. The vast majority of FATA's population resides in rural areas and are dependent on agriculture, including livestock, and the natural resource base for their livelihood. Farm sizes in the project area vary from less than 1.0 hectare (ha) to more than 5.0 ha; however the majority of farms are 1.0 ha or less and are owner-managed. Two distinct types of farming systems characterize agriculture in FATA. They are rain fed or *Barani* subsistence-level agriculture that produces food staples -- wheat and maize as the major summer and winter crops, respectively, and the more stable and productive irrigated agriculture, which enables farmers to earn higher incomes by expanding production beyond food staples into higher value horticultural crops, including vegetables.

3. Irrigated agriculture in FATA relies predominantly on groundwater abstracted by tube wells, dug wells and open wells; surface water utilization is low. Poor water resources management has become a major challenge to increasing agriculture productivity, which undermines efforts to improve the socioeconomic condition of FATA's inhabitants. The main problems faced by the water sector are: (i) most of the surface runoff generated in the project area drains out due to lack of infrastructure for utilizing this resource for productive purposes. The estimated runoff ranges from 2% to 21% of the annual rainfall volume; (ii) depletion of aquifers due to overexploitation of groundwater in all watersheds for irrigation and domestic use. There is a need to shift from groundwater to surface water as the main source of water for irrigation; (iii) since most of FATA lies in arid and semi-arid zones, the area receives little precipitation throughout the year, which lowers the recharge rate of the subsoil aquifer, and reduces both the water table and the quantity available from surface sources; (iv) lack of infrastructure to store runoff and conserve the seasonal flows in the streams to provide a regular supply of irrigation water; (v) lack of rain and stream gauges to measure the quantity of water and seasonal variations; and (vi) the absence of good on-farm water management practices.

4. Various factors such as poor water resource management, extensive deforestation and over grazing of rangelands have put immense pressure and stresses on FATA's watersheds. Their degraded condition has increased runoff and resulted in high soil erosion. In the absence of proper tree and vegetation cover, the run off leads to flash floods that often destroy the productive agricultural land in the valley bottom. This steadily worsening situation has severe repercussions for the overall sustainability and viability of the resource base of the watersheds,

and thereby on the region's population the majority of which are dependent on this resource base for their livelihoods. Increasing tree cover and the construction of check dams (where appropriate), will strengthen the watersheds, reduce land erosion and the frequency and impact of flash floods, and improve water availability through replenishment of the aquifers.

B. Impact and Outcome

5. The project impact will be increased farm incomes in the project area thereby reducing poverty and increasing household food security. The project outcome will be improved agricultural productivity of selected watersheds and their associated natural resource base.

C. Outputs

6. Project outputs include (i) construction of new irrigation infrastructure, including nine small concrete gravity dams with a maximum height of 15 meters each, 31 diversion weirs, and 95 kilometers of main and secondary irrigation channels to provide a reliable and uninterrupted supply of irrigation water throughout the year; (ii) improved on-farm management through construction of 144 kilometers of lined (concrete) watercourses, terracing and land leveling on a command area of 4,615 ha, along with installation of rain and stream gauges to measure water availability; (iii) improved watershed management on 5,050 ha through afforestation of the degraded watersheds and, where appropriate, construction of check dams to reduce or stop soil erosion; and (iv) efficient project management and evaluation, including establishment of project management and project implementation units, timely procurement of goods, works, and recruitment of consulting services, appropriate financial management, and successful project implementation.

D. Project Implementation

7. The FATA Secretariat is the project's executing agency (EA). It will establish a project management unit (PMU) in the Planning and Development Department of the FATA Secretariat. The PMU will (i) be responsible for sub-project preparation including feasibility studies; (ii) monitor implementation of all project activities; (iii) undertake all procurement activities; (iv) coordinate and monitor the required civil works and project facilities; (v) undertake financial accounting and reporting; and (vi) ensure the project is implemented in compliance with ADB Safeguard policies and procedures. Project implementation units (PIU) will be established in each of the three Agencies for execution of the project at agency level. The three PIUs will have core staff comprised of a project manager assisted by account and administration officer, monitoring and evaluation coordinator, and social organizers. Project implementing agencies include the Directorate of Irrigation, which will be responsible for the improved irrigation infrastructure and on-farm management components with the latter effort supported by the Department of Agriculture, and the Department of Forests, which will be responsible for the watershed management component. The IAs will coordinate with the PMU and PIUs to ensure project activities are reflected in their annual work plans, along with requisite financial and human resources.

8. Community organizations (CO), including those established under FRDP, will be key partners in the Project. The COs will enter into Terms of Partnership (TOPs) with the FATA Secretariat for the preparation and implementation of all sub-projects to be financed under the project. Such TOPs were already signed with COs for the three pilot sub-projects, and are the model to be followed for subsequent sub-projects. For each proposed sub-project it is essential

that the TOPs are signed by the relevant CO and approved by the Political Administration of the respective Agency before starting any sub-project activity.

9. A Project Steering Committee (PSC), headed by the Additional Chief Secretary, FATA Secretariat, has already been established and will provide policy guidance and monitor overall project performance and progress. The membership of the PSC includes the Secretary, P&D, FATA Secretariat; Secretary Finance, FATA Secretariat; Director General Projects, FATA Secretariat, Representative of SAFRON Division, Government of Pakistan, Islamabad; Representative of Planning & Development Division, Government of Pakistan, Islamabad; PAs of Khyber Agency, Bajaur Agency, and Mohmand Agency; and representatives of all concerned line departments. The Project Director will participate as PSC Member cum Secretary. The PSC will meet at least twice a year, or more frequently, whenever issues requiring resolution are submitted for its consideration. The PSC would consider the following in its meetings: (i) Provide policy guidelines and advise implementing units as to how issues affect implementation and can be overcome; (ii) review physical and financial progress reports, evaluate outcomes including those relating to social and environmental safeguards and ensure that the various agreed actions are taken in a timely manner; and (iii) ensure compliance with loan covenants.

E. Scope of Consulting Services

10. The Design and Supervision consultants will work with the project management team and will be required for the entire project implementation period. The consultants will (i) design and support procurement of the project's civil works, including preparing feasibility studies, detailed engineering designs, specifications, cost estimates, economic and financial analyses, and safeguard documents; (ii) assist the PMU with preparation of bid documents and the procurement process; and (iii) supervise construction and all matters related to implementation of the civil works contracts.

11. The project will require 792 person months of National consulting inputs through a firm for the design and construction supervision services. The expertise and person months required are provided in the following table:

Table 1: Summary of Consulting Services Inputs

Consulting Expertise	Number	Total Person Months (pm)
Water Resources Specialist/Team Leader	1	60
Hydrologist	1	9
Hydraulic Design Engineer	1	12
Geologist	1	9
Environment Specialist	1	9
On-Farm Water Management Specialist	1	16
Watershed Management Specialist	1	20
Economist	1	9
Agriculture Specialist	1	9
Social Safeguards Specialist	1	9
Structural Engineer	1	12
GIS Specialist	1	9
Groundwater Specialist	1	9
Chief Resident Engineer	1	60
Assistant Resident Engineer	3	180

Chief Surveyor	3	180
Surveyor	3	180
Total National Experts (pm)		792

13. **Water Resources Specialist/Team Leader:** The candidate should be a qualified civil engineer experience of managing similar works in the transportation sector in Pakistan or abroad. He/she will have overall responsibility for the organization, conduct and delivery of consultancy services and construction contracts, and reporting. He/she will head the Design & Supervision Team of Consultants and will work directly, and manage relations, with the client. He/she responsible for all liaisons with and reporting to the client, and for financial control of the consultancy, provide overall guidance and advise to construction supervision/contract administration team, amicably resolve any disputes during the construction and provide decisions whenever required and overall responsibility for progress and completion with assistance from team members.

14. **Chief Resident Engineer:** The candidate should be a qualified civil engineer with at least 10 years of experience as a resident engineer in construction supervision of roads in Pakistan whereas experience in FATA/KP would be preferable. They will supervise the work of assistant resident engineers and rest of construction supervision teams and will manage the construction milestones and quality control of works. They will provide assistance to the Team Leader in overall management, monitoring and reporting and will be responsible for day-to-day management of works. The construction works will be executed in accordance with the Conditions of Contract contained in ADB's standard documents as appropriate and in accordance with Conditions of Contract. Accordingly, the Project Director PMU will be the Employer, and the consultant will be the Engineer for all civil work contracts.

15. **Assistant Resident Engineer (03):** The candidates should be qualified civil engineers with at least 7 years of experience in construction supervision of similar works in Pakistan whereas experience in FATA/KP would be preferable. He will be responsible for construction supervision and review and approval of contractor's bills. The Assistant Resident Engineer will assist the Resident Engineer (RE) in the performance of his tasks.

16. **Geologist:** The candidate should be a qualified Geologist holding bachelor's degree in civil engineering or masters' degree in geology/geo-tech engineering with at least 7 year experience of working in the similar capacity on Dam/Diversion Weir construction projects and would also arrange for detailed Geotechnical investigations of foundations through drilling. Geotechnical Engineer will review the design and if required during construction any modification and change in design, construction method, alternate technology of construction and provide oversight during the consultancy service.

17. **Hydraulic Design Engineer:** The candidate should be a qualified civil engineer with at least 7 years of experience in Dam/Diversion Weir engineering design and coordination during construction. He will be responsible for review and revision of design involving hydraulic design, irrigation canal including outlet structures.

18. **Structural Engineer:** The candidate should be a qualified Civil engineer with at least 7 years' experience of structural designing whereas experience in hydraulic structure designing is must. He will be responsible for preparing the structural drawings, specifications and codes, cost effective.

19. **Social Safeguards Specialist:** The candidate should have a post-graduate degree in the social sciences or a similar field. At least 7 years of experience in resettlement planning and monitoring preferably on multilateral finance institution financed projects. The Resettlement Expert would be responsible for carrying out the social due diligence on sites for all proposed subprojects, conduct stakeholder consultation and identify the resettlement issues, prepare and update resettlement plans or due diligence reports if needed, following the guidelines of ADB and Government and the resettlement framework using guidelines provided and agreed with ADB, and assist in the implementation of the plans should it be required.
20. **Environmental Specialist:** The candidate should have a graduate degree in civil/environmental engineering or post-graduate degree in environmental science or a related discipline is required and have at least 7 years of experience in environmental management and monitoring of projects, environmental assessment and/or design and implementation of environmental mitigation measures. He/she will be responsible for due diligence on environmental safeguards. The Environmental Expert will be responsible for monitoring the implementation of environmental management plan throughout the whole project implementation stage, undertaking remedial action in close consultation with respective EPA and ADB to handle unexpected environmental impacts and submitting the monitoring report on EMP to the relevant agencies and ADB.
21. **Economist:** The candidate should have a post graduate degree in Economics or similar field, and at least 10 years of related experience preferably on international donor-financed projects. The specialist will evaluate the feasibility of selected subprojects, he will also calculate the Economic Internal Rate of Return (EIRR) for individual projects in order to arrive at the economic viability of investment, calculate the benefit cost ratio (B/C Ratio) of individual projects, assess investment costs against operation and maintenance cost (sustainability).
22. **Chief Surveyor:** The candidate should be a qualified civil engineer (or relevant qualification) with at least 7 years of experience of irrigation topographic surveys, contour survey for dam/diversion weir subproject. He will be responsible for supervising and managing the team of surveyors in the field and producing all the requisite data, drawings and other details required for the design of the individual sub-projects.
23. **Surveyor:** The candidate should be a qualified civil engineer Diploma Holder with at least 5 years of experience as quantity surveyor of irrigation projects. He/she will be responsible for preparing the Bills of Quantities and the Engineer's Estimates for the individual subprojects.
24. **Hydrologist:** Qualification Civil Engineering, Experience 7 Years of Hydrological Analysis, Calculation of PMF, Rainfall runoff analysis, reservoir routing and discharge calculation for spillway design/ diversion weir.
25. **GIS Specialist:** The candidate should be a geographer or engineer with at least 5 years' experience in conception an operation of GIS Project. He will assist in the calculation of sub-catchment boundaries of the dam and calculate surface-depth volume relation for subproject.
26. **Ground Water Specialist:** The candidate should be a geologist with at least 7 years of experience in hydrology in arid areas and hydrology field surveys and processing of monitoring data and experience with GIS and numerical ground water will be an asset. He would assist to estimate the recharge of ground water occurring due to construction of dams.

27. **Watershed Management Specialist:** The candidate should be a forestry/watershed management expert (MSC Forestry) with at least 10 years field experience in watershed management works preferably in FATA/KP province. Develop a watershed improvement plan for protection of the catchment areas raising community plantation and construction of check dams wherever feasible and also capable of imparting guidance for growing of community forests.

28. **Agronomist/Agriculture Specialist:** The candidate should have an MSc in Agronomy for agriculture sciences having at least 7 years of experience of soil profile testing and water quality testing and able to analyze the suitability of crops recommend crop cultivation/production practices and marketing. He should be able to classify the command areas and recommend measures for soil salinity control.

29. **On-Farm Water Management Specialist:** The candidate should have a Bachelor degree in Agricultural/Civil Engineering, while preference will be given to the candidates with Master degree in relevant field. The candidate should possess at least 8 years of experience with at least seven of specific field experience of OFWM (including planning, implementation and monitoring of irrigation schemes). Preference will be given to candidates with specific experience in the project area, provided qualification and experience criteria are fulfilled.

Land Acquisition and Resettlement Framework (LARF)

November 2014

**PAK: Federally Administered Tribal Areas Water
Resources Development Project (FWRDP)**

ABBREVIATIONS

ADB	-	Asian Development Bank
AP	-	Affected Person
CAS	-	Compulsory Acquisition Surcharge
CPS	-	Country Partnership Strategy
DDR	-	Due Diligence Report
DFs	-	Displaces Families
DHs	-	Displaces Households
DMC	-	Developing Members Country
DMS	-	Detail Measure Survey
DPC	-	Displaced Person's Committee
DPs	-	Displaced Persons
EA	-	Executing Agency
EM	-	External Monitor
EMA	-	External Monitoring Agency
FATA	-	Federally Administrative Tribal Area
FWRDP	-	FATA Water Resources Development Project
FCR	-	Frontier Crimes Regulation
GIA	-	Gender Impact Assessment
GOP	-	Government of Pakistan
GRC	-	Grievance Redress Committee
IPSA	-	Initial Poverty and Social Assessment
ISA	-	Initial Social Assessment
IA	-	Implementing Agency
IP	-	Indigenous People
IPP	-	Indigenous People Plan
IPPF	-	Indigenous Peoples Planning Framework
IR	-	Involuntary Resettlement
KP	-	Khyber Pakhtunkhawa
LAA	-	Land Acquisition Act
LARF	-	Land Acquisition and Resettlement Framework
LARP	-	Land Acquisition and Resettlement Plan
LAS	-	Land Acquisition Survey
M&E	-	Monitoring and Evaluation
OM	-	Operations Manual
PIU	-	Project Implementation Unit
PMU	-	Project Management Unit
RoW	-	Right of Way
RF	-	Resettlement Framework
RP	-	Resettlement Plan
SES	-	Socio Economic Survey
SIA	-	Social Impact Assessment
SPS	-	Safeguards Policy Statement
TA	-	Technical Assistant

GLOSSARY

Kharif: Summer cropping season of the year (15 April – 15 September)
Rabi: Winter cropping season of the year (15 September – 15 April)

DEFINITION OF TERMS

Affected person (AP): Means any person or persons, household, firm, private or public institution that, on account of changes resulting from the Project, will have its (i) standard of living adversely affected; (ii) right, title or interest in any house, land (including residential, commercial, agricultural, forest, salt mining and/or grazing land), water resources or any other moveable or fixed assets acquired, possessed, restricted or otherwise adversely affected, in full or in part, permanently or temporarily; and/or (iii) business, occupation, place of work or residence or habitat adversely affected, with or without displacement. In the case of a household, the term AP includes all members residing under one roof and operating as a single economic unit, who are adversely affected by a subproject or any of its components.

Displaced Households: All members of the affected household residing under one roof, operating as a single economic unit and consist of a single nuclear family or an extended family group, who are adversely affected by the project or any of its components or activity;

Compensation: Means payment in cash or in kind to replace losses of lands, housing, income and other assets caused by the Project. All compensation is based on the principle of replacement cost, which is the method of valuing assets to replace the loss at current market rates, plus any transaction costs such as administrative charges, taxes, registration and titling costs.

Encroachers/squatters: People who have trespassed onto an unauthorized private or community land. If such people arrived before the entitlements cut-off date, they are eligible for compensation for any structures, crops or land improvements that they will lose.

Entitlement: Range of measures comprising compensation, income restoration, transfer assistance, income substitution, and relocation, to restore their economic and social base of the displaced persons.

Host Population: Community living in or near to the area where the affected people are to be relocated.

Income Restoration: Re-establishment of income sources and livelihoods of DPs.

Involuntary Resettlement: Economic and physical dislocation resulting from a development project

Improvements: Structures constructed (dwelling unit, fence, waiting sheds animal pens, utilities, community facilities, stores, warehouses, etc.) and crops/plants planted by the person, household, institution, or organization.

Inventory of Losses (IOL): This is the process where all fixed assets (i.e., lands used for residence, commerce, agriculture, including ponds; dwelling units; stalls and shops; secondary structures, such as fences, tombs, wells; trees with commercial value; etc.) and sources of income and livelihood inside the Project right-of-way (project area) are identified, measured, their owners identified, their exact location pinpointed, and their replacement costs calculated. Additionally, the severity of impact to the affected assets and the severity of impact to the livelihood and productive capacity of APs will be determined.

Land Acquisition: The process whereby a person is compelled by a government agency to alienate all or part of its owned land or possesses to the ownership and possession of the government agency for public purpose.

Meaningful Consultation: A process that (i) begins early in the project preparation stage and is carried out on an ongoing basis throughout the project cycle; (ii) provides timely disclosure of relevant and adequate information that is understandable and readily accessible to affected people; (iii) is undertaken in an atmosphere free of intimidation or coercion; (iv) is gender inclusive and responsive, and tailored to the needs of disadvantaged and vulnerable groups; and (v) enables the incorporation of all relevant views of affected people and other stakeholders into decision making, such as project design, mitigation measures, the sharing of development benefits and opportunities, and implementation issues.

Resettlement Plan (RP): This is a time-bound action plan with budget setting out compensation and resettlement strategies, objectives, entitlement, actions, responsibilities, monitoring and evaluation.

Rehabilitation: Compensatory measures provided under the ADB Policy Framework on Involuntary Resettlement other than payment of the replacement cost of acquired assets.

Relocation: The physical resettlement of displaced persons at his/ her planned place of residence.

Replacement Cost: The financial value determined on current market rates as the fair compensation for the loss of agricultural and residential land, crops, trees, and other commodities such as; cost of rebuilding houses and structures at current market prices of building materials and labor, without depreciation or deductions for salvaged building material.

Resettlement Impact: The nature and value of livelihood loss caused by the acquisition of land and/or assets.

Severely affected households: This refers to affected households who will (i) lose 10% or more of their total productive land and/or assets, (ii) have to relocate; and/or (iii) lose 10% or more of their total income sources due to the subproject.

Vulnerable Groups: Distinct group of people who may suffer disproportionately from resettlement effects. The policy defines vulnerable groups as households below the poverty line, the elderly, those without legal title to assets, landless, women, children and indigenous people.

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I. Introduction

A. Background

1. The proposed Federally Administrated Tribal Areas (FATA) Water Resources Development Project (FWRDP) is located along the western border of Pakistan with Afghanistan. It complements ADB's investment in three agencies of FATA (Mohmand, Bajaur and Khyber) made through Asian Development Bank (ADB) -financed FATA Rural Development Project (FRDP) which was completed in March 2012. The scope of the proposed project is based on the recommendation of the water assessment study carried out under FRDP which addresses the issues such as water scarcity, insufficient irrigation facilities, water conservation and weak water resources management. The study identified that ground water aquifers in all the watersheds were depleting even under average weather conditions because of the unplanned exploitation of ground water for irrigation and domestic use, and recommended shift from ground water to surface water. It identified potential for developing surface water resources for irrigated agriculture and other uses and integrating that with the watershed management and command area development to ensure sustainable use of the resources without degrading the watersheds.

2. This Land Acquisition Resettlement Framework (LARF) has been prepared for the proposed Water Resources development Project for FATA in Pakistan. This Resettlement Framework (RF) has prepared in consultation and coordination with the office of FATA Secretariat, political administration, local elders and Maliks (state recognized tribal leaders) of the area. Keeping in view the security, socio cultural conditions and other ground realities of the FATA, a selection criterion was fixed for each subproject with the consensus of all stakeholders. It was decided that only those subprojects will be executed, which fulfill the conditions; (i) that, communities would agree to voluntarily provide land for construction of storage facility, inundation area, channel, and any appurtenant structures as their share in the subproject costs. (ii) "Subprojects requiring involuntary resettlement will be not selected". But if, there is a need of land acquisition and involuntarily resettlement, then Asian Development Bank's (ADB) Policy on Involuntary Resettlement, applicable operations manuals (OM) and provision made in Frontier Crimes Regulations (FCR) 2011 and land acquisition and resettlement practices prevail in FATA will be followed. It is emphasized that the only scenario where SPS principles would apply is where unanticipated or unintended LAR issues arise. This is unlikely, and the LARF should therefore be considered as a back-stop.

3. This RF addresses the likely impacts and resettlement of affected persons (APs) under the proposed development interventions, and is an integral part of the proposed FATA Water Resources Development Project. The LARF sets out the resettlement policy and operational guidelines for the preparation and implementation of Land Acquisition and Resettlement (LAR) tasks arising from potential impacts and steers the preparation of LARPs (if required) including implementation mechanisms for project and its components to ensure that they conform to ADB's SPS. An outline of land acquisition & resettlement plan (LARP) is provided as, Annex- A to serve as a guideline for preparation of the future LARPs for the relevant proposed schemes/subprojects under this Project. The subprojects, if need land acquisition and/or cause adverse effects to the APs, to any significance level, for each such subproject a resettlement Plan (RP), will be prepared and submitted along with its proposal and would be implemented upon receiving formal approval from ADB.

4. It will be used as the broad framework within which social safeguards for subprojects with land acquisition and resettlement impacts will be formulated. The purpose of this LARF is to

establish the screening, planning and management procedures for involuntary resettlement (IR) in conformity with ADB's Safeguard Policy Statement (SPS 2009). The LARF entails objectives, policy, principles, eligibility criteria for subprojects, Affected Persons (APs) and, entitlements, legal institutional and implementation framework, modes of compensation, participation and consultation procedures and grievance redress mechanisms that will be employed to compensate, resettle and rehabilitate the living standards of the APs. LARP implementation will commence as soon as possible. All compensation and entitlements will be paid prior to economic or physical displacement in accordance with the requirements of the (SPS) 2009.

5. No indigenous people with a social and cultural identity distinct from the dominant society that makes them vulnerable to being disadvantaged in the development process – are known to exist in the Three FATA agencies. Therefore, a separate Indigenous Peoples Planning Framework (IPPF) is not required. However if such groups are identified during the project implementation, the proponents will develop an Indigenous People Plan (IPP), in compliance with the ADB policy and get it approved by the Bank. An Impact Categorization Form is attached in (Annex-B) and an outline of indigenous people plan (IPP) is attached in (Annex-C).

6. The framework, agreed between the GoP/FATA administration and ADB, sets out the safeguard principles, procedures, compensation, entitlements and implementation, disclosure and monitoring arrangements to be applied when identifying, designing, preparing and implementing LARPs.

B. The Project

7. The Federally Administered Tribal Areas Water Resources Development Project is being financed by a loan from the Asian Development Bank (ADB). The Project impacts will be increased farm incomes of beneficiary households and outcomes will be improved productivity of selected watersheds and their associated natural resource base. The outputs will be (i) Construction of small reservoirs/ponds, diversion weirs, and conveyance channels, (ii) on-farm water management, (iii) watershed management, and (iv) project planning, management and support strengthened. The aim of the project to reduce poverty and enhance food security through irrigation systems and the enhancement of agricultural productivity in Mohmand, Khyber and Bajour selected Agencies in FATA.

C. History of the Area

8. FATA is located in a narrow belt along the Afghanistan-Pakistan border. A brief regarding FATA history is explained in (Annex- D). It consists of seven agencies, namely, Bajaur, Mohmand, Khyber, Orakzai, Kurram, North Waziristan and South Waziristan, and six bordering frontier regions that are attached to the adjacent settled districts of Khyber Pakhtunkhwa (KP) and is of immense strategic geographic and political importance. FATA is characterized by cultural conservatism and adherence to traditional values and practices.

9. The entire FATA region is generally arid, hilly, sparse and resource poor, where poverty is endemic and pervasive. The area is governed by a special set of rules, known as the Frontier Crimes Regulation (FCR). Moreover, the tribal code is the way of life and customary rights and responsibilities are the prevailing law of the land.

D. Society and culture

10. The population is divided along the lines of traditional clan and tribal loyalties. The people are accustomed to managing their own affairs without outside interference. But for many people, belonging to a tribe or clan is not simply a question of identity. Ownership of natural resources is also determined according to clan or tribe, with each group controlling resources within its own area and making decisions about management and use. Tribal society is dominated by men. Cultural tradition, social practices and low literacy have left women in a vulnerable position. Women are for the most part restricted to performing household work, and are excluded from decision-making both on the domestic front and at the community level. Their access to education and health care is limited in part because such services are not available close to home.

11. The three northern agencies of Bajaur, Mohmand and Khyber are the most income and natural resource deficient and development interventions to-date have been minimal. A brief history of three agencies is explained in Annex- E. Hence, these three agencies have been selected as the target area for the proposed Project. The land and people of the Project area are described in Annex-F.

E. Poverty Status

12. In terms of economic activity, the region is generally very poor. The local survives in this harsh terrain by utilizing the available resources in a very calculated way maintaining equilibrium with nature. However, with the increased interaction of the region with the outside world, an increase in population that coincided with decreasing landholding has put strains on the local resources. As a result, in the project area and the region at large, some people have opted for new professions like mining and service in the armed forces for alternate sources of income. In addition, the youth represent a substantial proportion of the total population; however, limited access to education and skills training hinder their efforts to enter into a more diverse job market outside of FATA. There is high unemployment and limited opportunities for the economic uplift of the people in project area.

F. Project objectives

13. The Project has been designed with the specific objective of achieving poverty reduction through various community development interventions that will be identified and implemented through active community participation during the course of the Project. The project will provide irrigation supplies in three agencies to increase crop production of the rain fed area and unutilized land to be brought under cultivation. It will (i) construct small reservoirs/ponds, diversions weirs and conveyance channels; (ii) develop command area and (iii) improve watershed management.

G. Country Partnership strategy

14. The country partnership strategy (CPS 2009 to 2013) prioritizes improving the irrigation infrastructure. ADB's agriculture sector evaluation (2006) for Pakistan emphasized improving water resources and irrigation. FATA sustainable development plan (SDP: 2007-2015) of the Government of Pakistan aims to ensure the optimal and equitable use, and sustainable management of existing water resources to bring more land under irrigated agriculture. The strategy proposed in the SDP to achieve this goal includes: (i) creating efficient management system for water sources and infrastructures; (ii) conserving and recharging groundwater

aquifers; (iii) harnessing seasonal runoff to provide additional sources for irrigations; (iv) harvesting surface water for irrigation; and (v) scaling up efficient irrigation systems.

II. Legal Policy and Framework

A. Land Laws and Regulation in FATA

15. In Pakistan, the Land Acquisition Act of 1894 (as amended) is the core legislation used for acquiring private lands for a public purpose. But this Act, as with most other laws of Pakistan, the act is not applicable to the Federally Administered Tribal Areas (FATA). Local needs for land acquisition are addressed through the tribal system of land rights and distribution. (FATA region's rules and practices regarding Land Acquisition for Public Purposes are described in Annex-K). Normally, for the government aided development interventions, relatively small and insignificant pieces or strips of lands are taken for free under a community contribution. However, there are exceptions to this general practice, especially where the land required is large or is productive and/or otherwise economically significant. Recently, there have been an increasing number of instances of land compensation being paid if the land is productive or commercial, mainly in response to the pressing demands of the affected persons (APs).

16. As already described, the Tribal Areas are not ruled by the National law and project implementation will follow the legal and administrative procedures based on negotiations and consensus building. In the absence of a law or formal policy for land acquisition and resettlement in FATA, a project-specific set of resettlement principles consistent with ADB policy requirements has been adopted in this Project, in the event that any sub-project does have any resettlement impacts. In this case, the affected small business enterprises (SBEs) and households will be entitled to a combination of compensation measures and resettlement assistance; depending on the nature of ownership rights of lost assets and scope of the impact and the social and economic vulnerability of the APs. In general terms, the APs will be compensated for the loss of their lands and trees, and assisted financially to restore their affected structures/assets and livelihoods, at least to the pre-project levels. Female-headed households and other vulnerable households will be eligible for further cash assistance for relocation and house or structure reconstruction. Plans for Sub-project resettlement/land acquisition will be based on a full evaluation of the impact of proposals and contain a complete list of all APs together with the type and size of losses will be prepared, and the amount of compensation and/or financial assistance assessed for each AP.

B. The Frontier Crimes Regulation (FCR)

17. The Frontier Crimes Regulation (FCR) 1901 comprises a set of laws of Pakistan that are applicable to the Federally Administered Tribal Areas. The FCR has its origins in laws that were enacted by the British rule in the Pakhtuns-inhabited tribal areas in the Northwest of British India. They were specifically devised to counter the opposition of the Pakhtuns to British rule, and their main objective was to protect the interests of the British Empire. Over a century later, the laws continue to be applied to FATA. In 2011 the FCR was amended by the President of Pakistan through an Ordinance and added the clause 56 for payment of compensation to individuals for damages and land acquired for public purposes on the rates assessed with consensus or as applicable in settled areas. All contracts and agreements are enforced under the Frontier Crimes Regulation by a jirga, and not through the judicial channels available elsewhere in Pakistan.

C. ADB safeguards Policy

18. The ADB Safeguard Policy Statement (SPS) of 2009 builds upon the three previous safeguard policies on the environment, involuntary resettlement and indigenous peoples, and brings them into one single policy that enhances consistency and coherence and more comprehensively addresses environmental and social impacts and risks. ADB Safeguard Policy Statement (2009) which affirms that environment and social sustainability is a cornerstone of economic growth and poverty reduction in Asia and the Pacific. ADB's Strategy 2020 therefore emphasizes assisting DMCs to pursue environmentally sustainable and inclusive economic growth. In addition, ADB is committed to ensuring the social and environmental sustainability of project outcomes by protecting the environment and people from projects' potential adverse impacts, the objectives of ADB's safeguards are to: (a) avoid adverse impacts of projects on the environment and affected people, where possible; (b) minimize, mitigate, and/or compensate for adverse project impacts on the environment and affected people when avoidance is not possible; (c) and help borrowers/clients to strengthen their safeguards systems and develop the capacity to manage environmental and social risks.

D. ADB's Safeguards Requirements on Land Acquisition and Resettlement

19. The policy covers both physical displacement (relocation, loss of residential land, or loss of shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of land acquisition or restriction on land use, or on access to parks and protected areas. The SPS's key policy principles are: (1) Screen early and assess resettlement impacts; (2) Carry out consultations with DPs/APs and develop a grievance redress mechanism; (3) Improve/restore livelihoods of DPs/APs through land-based strategies, replacement of lost assets, compensation at replacement cost, and additional benefits, as appropriate; (4) Provide appropriate assistance to physically displaced DPs/APs; (5) Improve living standards of poor DPs/APs and other vulnerable groups; (6) develop transparent procedures for negotiations; (7) provide assistance and compensation to non-titled DPs/APs for loss of non-land assets; (8) Prepare Resettlement Plans (RPs) or due diligence reports (DDR), with necessary provisions; (9) disclose RPs to DPs/APs and other stakeholders and document the consultation process; (10) conceive and execute resettlement as part of the project; (11) deliver entitlements to DPs/APs before their physical or economic displacement; and (12) monitor and assess resettlement outcomes.

20. The ADB's SPS (2009) also states that if there are impacts on indigenous peoples, their identity, dignity, human rights, livelihood systems, and cultural uniqueness must be safeguarded so they can receive culturally appropriate social and economic benefits. The other relevant policy is ADB's Policy on Gender and Development, which requires all ADB financed projects to enhance involvement of and benefits to women.

E. ADB's Policy Principles for Involuntary Resettlement

The ADB's experience indicates that involuntary resettlement under development projects, if unmitigated, often gives rise to severe economic, social, and environmental risks: production systems are dismantled; people face impoverishment when their productive assets or income sources are lost; people are relocated to environments where their productive skills may be less applicable and the competition for resources greater; community institutions and social networks are weakened; kin groups are dispersed; and cultural identity, traditional authority, and the

potential for mutual help are diminished or lost. This policy includes safeguards to address and mitigate these impoverishment risks. The ADB's policy principles and objectives for Involuntary Resettlement (IR) are described in Annex-I. When land other than the unencumbered government-owned land is to be acquired then a LARP is required. The IR checklist for screening and categorizing subprojects is attached in Annex J.

F. Need for Land

21. The project will require land for construction of subprojects which will be provided by the communities' beneficiary groups as their voluntary contributions, as part of their community participation share. It will be explained by the FWRDP social development team in detail to the tribes/locals of selected subprojects that the piece of land will be provided to FWRDP for construction of any work without claiming any financial obligations from the Project. It will also be clarified through focus group discussions that the tribe/locals will not be entitled for any tribal commission or land compensation rather this will be deemed as a contribution from community to the Project. Moreover, keeping in view the requirement for land a Terms of Partnership (ToP) would be signed in between the PMU, FATA administration and local beneficiaries.

22. An independent third party will be engaged by ADB to monitor project performance, including safeguards. The third party monitor will provide independent oversight of the voluntary land contributions for all applicable sub-projects; and will be responsible for ensuring that all procedures for voluntary land donated under the project are conducted in a transparent manner and that land is donated without duress, as part of community contribution for their own benefit.

G. Selection Criteria of Subprojects

23. Based on the water assessment study of FRDP, a long list of 87 irrigation subprojects has been prepared. The list was refined in consultation with the FATA Secretariat, Irrigation, Agriculture and Forest departments, Political Administration and the farming communities of the project area by keeping in view the social, economic and security conditions. The integrated approach of managing watersheds and developing command area along with construction of irrigation infrastructure would ensure sustainable use of the natural resources in the project area. The subproject selection criteria are as under:

- (i) The communities agree to voluntarily provide land for both constructions of the storage facility, the inundation area, channel, and any appurtenant structures as their share in the subproject costs.
- (ii) The communities are willing to take ownership for operation and maintenance of weirs, channels and on farm facilities from their own resources.
- (iii) Subprojects should be free of conflict with regard to land and water rights.
- (iv) Subprojects requiring involuntary resettlement will not be selected.
- (v) Subprojects must meet all social and environmental safeguards requirements of ADB.
- (vi) Subproject area should not have major security concerns.
- (vii) The community organizations must ensure equity. Subprojects must benefit all potential farmers and not just those located at the head reach of channels.
- (viii) Land ownership of one farmer should not exceed 25% of the total command area under the subproject.
- (ix) Subprojects should not affect water supplies (ground and surface) currently exploited for domestic or other uses.

- (x) Small reservoirs and ponds should be sited to minimize conveyance and evaporation losses.
- (xi) Small reservoirs must be developed with international best practices for safety and should not increase flood risk to local communities.
- (xii) Maximum height of a dam will not exceed 15 meters.
- (xiii) Subprojects will be assessed for technical and economic viability before approval.
- (xiv) Subprojects identified only by the water assessment study conducted under FWRDP will be considered.
- (xv) Duplication with other interventions in the project area will be avoided.
- (xvi) Minimum 75% of proposed command area should have soils suitable for agriculture.

III. Institutional Framework

A. ADB

24. ADB will be the funding agency of the Program. Besides administering the Project, ADB will review all LARPs and/or Due Diligence Reports and provide clearance to contract awards signing and initiation of civil works to all subprojects with LAR.

B. FATA Secretariat and Project Management Unit

25. The FATA Secretariat is the main administrative body for the FATA region dealing with administration, finance, law & order, planning & development, projects and social welfare. The FATA Secretariat will be the executing agency (EA) and will work with its line department's -- agriculture, forest and irrigation directorate. A project management unit (PMU) will be established for implementing the project and three project implementation units (PIUs) will be established in each agency. The FATA Secretariat has experience of successfully implementing the ADB financed FRDP and projects financed by other donors. If there is a need of land acquisition for any subproject, resettlement will be conducted through the PMU, under the responsibility of the Resettlement Officer. For each of the three subareas, the Bajaur, Khyber, and Mohmand agencies will have a political tehsildar assigned to attend specifically to the project-related land acquisition and resettlement activities.

C. Political Agents and Administration

26. The FATA region is administered by political agents (PA). Each agency's PA is assisted by a number of assistant political agents, tehsildars (administrative head of a tehsil) and naibtehsildars (deputy tehsildar), as well as members from various local police (khassadars) and security forces (levies, scouts). As part of administrative functions, the political agent oversees the working of line departments and service providers. PA is responsible for handling inter-tribal disputes over boundaries or the use of natural resources, and for regulating the trade in natural resources with other agencies or the settled areas. The political agent will play a vital role for development of projects and combating the disputes which can occur in the time of implementation and afterwards.

27. Currently, these government agencies do not have the capacity to plan and implement the resettlement activities as desired by ADB because they lack the expertise required for planning and implementing involuntary resettlement under ADB policy and guidelines. To fill in the gap, a resettlement officer will be included in the PMU to provide the necessary technical

assistance throughout the project period. The resettlement officer will work closely with the environment and social development officers in the PMU, and social organizers in the PIUs. They have an important role to play in information disclosure and conflict resolution pursuits, especially in matters related to entitlements and compensation payments to people affected. They will also assist the independent monitor in ensuring that all procedures for voluntary land donated under the Project are conducted in a transparent manner and that land is donated without duress. Resource persons can be hired by the Project, as needed, to provide assistance in community organization/outreach, participation, and communication activities.

28. An independent third party will be engaged by ADB to monitor project performance, including safeguards. The third party monitor will provide independent oversight of the voluntary land contributions for all applicable sub-projects; and will be responsible for ensuring that all procedures for voluntary land donated under the project are conducted in a transparent manner and that land is donated without duress, as part of community contribution for their own benefit.

D. Affected Persons' Committee

29. For each subproject if there is land acquisition and resettlement impacts, an Affected Persons' Committee (APC) will be formed. The various social and geographical categories of APs would delegate representatives to the APC and a President will head the committee. The APC will participate in the planning, implementation and monitoring of all land acquisition and resettlement-related activities and issues in a consultative role, including preparation of inventories and valuation of assets, assessment of damage to land and structures, payment of compensation livelihood restoration measures, grievance redress and LARP review. The relevant PMU and PIU staff will mobilize and assist the APCs in regard to their social and environmental issues.

E. Remedial Measures to Reconcile Gaps between the FCR/FATA rules and ADB SPS 2009.

30. This LARF has been prepared according to the provisions of the prevailing law of Frontier Regulations, tribal people customs, ADB Safeguards Policy Statement (2009) and applicable operations manuals (OM). Where there are gaps between FATA/GoP laws and the ADB SPS requirements on land acquisition and resettlement, the project will ensure that these gaps are filled by measures to meet the SPS (2009) stipulations. For example, FATA law does not specifically require monitoring and assessment of land acquisition or resettlement outcomes. But any Resettlement Plans (RPs) for subprojects will include indicators and baseline data to monitor the impacts on APs. In the absence of specific rules for LAR in FATA, the project specific resettlement issues will be addressed to assist non-titled persons, and bridge the gap between existing practice and the main guidelines of SPS with regard to involuntary resettlement. To reconcile the inconsistencies between the FATA/FCR rules and SPS, the government has drafted this LARF. Provision of subsidies or allowances will be given for affected households that maybe relocated, suffer business losses, or maybe vulnerable. As detailed in the SPS, the content and complexity of a LARP will vary depending on the scale and severity of subprojects impacts.

IV. Entitlements and Compensation Eligibility

31. All the stakeholders including Irrigation department of FATA, Political Administration, communities, Jirga (Annex-G) and the TA consultant were consulted during the process of preparation of the LARF. A project Policy on entitlement and compensation matrix (Annex-H)

has been developed under ADB's SPS to compensate the project impacts in accordance with the assessment of compensation unit rates by the Political Administration of the three selected Agencies in consultations with tribal elders, maliks and locals of the area. The entitlements also cover livelihood restoration assistance, shifting of utilities, provision of shifting assistance and provision for unseen or unanticipated damages or impacts.

A. Entitlements

32. The entitlements for Compensation, Resettlement and Rehabilitation Assistance may be enhanced to mitigate and improve livelihoods of the DPs (if required) but not be reduced or lowered in any of the subproject LARPs. Details are provided in the entitlement matrix.

B. Eligibility

33. The DPs eligible for compensation or rehabilitation provisions under the Program are:

- (i) All land owning DPs losing land or non-land assets, i.e., crops and trees whether covered by legal title or traditional land rights, whether for temporary or permanent acquisition.
- (ii) Tenants and share-croppers, whether registered or not; for all non-land assets, based on prevailing tenancy arrangements.
- (iii) DPs losing the use of structures and utilities, including titled and non-titled owners, registered, unregistered, tenants and leaseholders plus encroachers and squatters.
- (iv) Displaced persons losing business, income and salaries of workers or a person or business suffering temporary effects, such as disturbance to land, crops and business operations both permanently and also temporarily during construction.
- (v) Loss of communal property, lands, and public infrastructure.
- (vi) Vulnerable displaced persons identified through the impact assessment and FGD.
- (vii) In the event of physical relocation, all DPs will receive transitional and other support to reestablish shelter and livelihoods.

34. In order to avoid an influx of outsiders, compensation eligibility will be limited by a cut-off date for each subproject on the day of the beginning of the sub-projects impacts and census survey. The cut-off date will be announced through village institutions.

C. Relocation Assistance and Income Restoration

35. In the case of relocation, the PMU will provide the affected persons with relocation assistance, registration and secured tenure to new land plots (for eligible affected persons), equal or better housing at resettlement sites, and civic infrastructure and community services as required. As feasible, affected persons will remain in near locality to their current land, so that they retain their social network. The affected persons will be actively involved in the planning and consideration of potential alternatives for relocation. This can be facilitated through public consultation process and focus group discussions with the affected communities.

36. Affected persons, whose livelihood is impacted by the project, will get preference in jobs associated with the subprojects construction and implementation. The proposed FWRDP can provide employment opportunities to some of the affected persons or their household members based on their professional and educational background. Those who are unskilled, if desired will

be employed in civil works as feasible. Employment of the affected persons and/or their household members in some other establishments will also be pursued by the PMU/PIU.

D. Valuation of Affected Assets

37. In accordance with the resettlement and rehabilitation policy for the project, all APs will be entitled to a combination of compensation measures and resettlement assistance, depending on the nature of ownership rights of their lost assets and scope of the impacts. The following methodology will be adopted for the assessment of unit values for assets to be compensated in coordination with Jirga, COs, political administration and line departments involved in the process:

- (i) Land: if acquired for the project will be valued at the replacement cost of land of approximately equal type and quality determined through replacement cost survey for the period of no more than one year preceding the cut-off date for the project.
- (ii) Buildings and other structures will be valued based on precise measurement, quality and measurement of materials and will be calculated based on replacement cost (i.e., cost of new building materials and labor) with no depreciation for age and deduction for salvageable materials, sufficient to cover the cost of materials and labor.
- (iii) Crops will be valued at the current market rates for the net harvest actually lost.
- (iv) Trees will be compensated on the basis of their local market values to reflect replacement income. The cost of wood trees will be calculated based on the average volume of wood produced, quality of wood size classes, as determined by girth, diameter at breast height or volume. Fruit bearing trees will be compensated based on the compensation for loss of fruit trees at current market value depending on type and productive age of the fruits trees and market value of the produce for the time required to grow a tree of equivalent productive capacity.

E. Database

38. All information concerning resettlement issues related to land acquisition, socioeconomic information of the affected land, structures, inventory of losses by individual affected persons, compensation and entitlements, payments and relocation will be entered onto a computer database by the PMU/PIU. This database will form the basis of information for preparation and implementation of LARP, monitoring and reporting purposes and facilitate efficient management and monitoring of compensation distribution. The collected data and their analysis shall quantify degree of losses and implications for the affected households in terms of living conditions, livelihoods, income loss, intangible loss and other impoverishment risks.

Entitlement Matrix²⁵

Assets lost	Specification	Displaced Person	Compensation Entitlements
Agricultural land, including cultivable land and uncultivable wasteland	All land losses irrespective of impact severity	Owner	Cash compensation for land based on current open market value, or as negotiated with a committee comprising landowners' and tribal/village elder's <i>jirga</i> and by the FATA secretariat officials by following the principle of negotiation.
		Sharecropper/Tenant (registered or not)	
		Lease Tenant (registered or not)	

²⁵ Note: Provision is made for payment of cash compensation only in cases where it is demanded by affected communities and where voluntary land donation is not possible.

Assets lost	Specification	Displaced Person	Compensation Entitlements
		Encroacher/Squatter	<p>Permanent/traditional tenants will be paid part of the compensation, as mutually negotiated and agreed with, or as decided by the tribal elders' <i>jirga</i>, and FATA administration which may be 25%, 33% or 50% of the total assessed amount.</p> <p>Cash compensation for loss of crops at current market value of mature crops.</p>
Residential and commercial structures		Owner of the structure, including Encroachers/Squatters	<p>Genuine owners of the lands under built-up residential/ commercial structures and similar other assets will be paid land compensation at current open market values, or negotiated with or decided by the <i>jirga</i> of tribal elders and FATA Administration office.</p> <p>The encroachers/squatters will not be eligible for land compensation; however, they will be entitled to compensation for the loss of their structures.</p> <p>Cash compensation at full replacement cost for affected structures and other fixed assets, free of salvageable materials, depreciation and transaction cost and also transportation cost; or if partial loss, full cash assistance to restore the remaining structure. Fees and taxes (if applicable) will be waived. The option of relocation and relevant support will be discussed during the focus group discussions and included in the LARPs in coordination with FATA secretariat officials.</p>
		Renter/Leaseholder	Cash compensation equivalent to three month's rent or a value proportionate to the duration of the remaining lease.
Community Assets			Rehabilitation/substitution or cash compensation at full replacement cost of the affected structures and utilities.
Businesses		All DPs so impacted	Cash compensation equal to income during the interruption period, as determined through the determined through the census of AP and included in the LARP.
Employment		All DPs so impacted	Compensation for lost wages for the period required to reestablish business as determined through the census of AP and included in the LARP.
Crops	Affected crops	Cultivator of crop	Crop compensation in cash at the full market rate for one year agricultural income (both rabbi and kharif harvests). If sharecropped or a tenant then compensated according to shares.
Trees	All affected trees	Owner	Fruit trees: compensation to reflect income replacement as assessed by forest or agriculture department based on market value of annual produce, projected for number of years Required to grow a tree of equivalent productive capacity.

Assets lost	Specification	Displaced Person	Compensation Entitlements
			Timber trees: trees grown and/or used for timber then compensation is to reflect the market value of tree's wood content, based on the wood measurement survey of forest department.
Allowances for Severe Impacts	AH with >10% agricultural income loss or more to be relocated	All severely affected AHs including informal settlers	One additional crop compensation covering 1 year yield for APs affected by severe agricultural income losses and rehabilitation allowance of 6 months at minimum salary for relocated AHs.
Shifting of Water Supply Lines	All affected beneficiaries		The requisite amounts for shifting/ reinstallation of water supply lines are included in the LRAP budget. PHED will shift water supply lines at nearby place available, FATA secretariat/PMU will pay relocation cost to PHED based on cost estimates provided by PHED.
Relocation	Transport/ transition costs	All DPs to be relocated	Provision of allowances to cover transport costs and transitional costs on actual cost basis at current market rates. If physical relocation of the affected households is required and requested by the displaced persons, appropriate relocation sites will be developed. The need for support during the transitional period will be assessed through the census of AP and included in the LARP.
Vulnerable DP livelihood support		Poor and female headed households and other vulnerable households, including the elderly or other groups as identified through the census of AP.	Cash allowance equivalent to at least 6 months of minimum wages of PKRs 7000/- per month as fixed by the GOP. (In accordance with figures released by the Province) using the poverty line index or as determined through the social impact assessment surveys.
Temporary impacts		All AHs	Due rent and rehabilitation for temporarily affected assets will be provided.
Unidentified Losses	Unanticipated impacts	All DPs	Dealt with as appropriate during sub-project implementation according to the ADB policy.

V. RP Preparation and Implementation

A. Resettlement Procedural Guidelines

39. Specific resettlement procedure guidelines have been established to guide the preparation of appropriate resettlement plans that will be adequate for the magnitude of the land acquisition for subsequent subprojects. These resettlement procedural guidelines will require that:

- a. PMU/PIU staff carry out an initial social assessment survey of the target area once the scope of each subproject is identified, based on its preliminary technical designs (and, if need be, revise it according to the finalized design).
- b. If involuntary LAR impacts are identified, a full resettlement plan will be prepared for each subproject.

B. Resettlement Policy Principles for the Sub-projects

40. The project will comply with both ADB's safeguard requirements and FATA's laws and regulations applicable to land acquisition and resettlement. The resettlement objectives and policy principles adopted for the subproject are as follows:

- (i) Land acquisition and resettlement will be minimized through careful engineering design. All efforts will be made to avoid physical displacement of people.
- (ii) APs will be consulted meaningfully over the project cycle, and effective mechanisms will be established for hearing and resolving grievances.
- (iii) The RPs or DDRs for the subprojects prepared by the PPTA will be updated after the detailed design, and, if needed, new RPs/DDR will be prepared for sites selected during implementation.
- (iv) APs who are customary landowners will receive compensation at replacement cost for their loss of assets to ensure that they will be as well off as without the project.
- (v) Such compensation will be paid to APs prior to commencement of civil works.
- (vi) Absence of formal title will not be a bar to compensation and assistance for loss of non-land assets. Particular attention will be paid to women, women-headed households, the elderly and other vulnerable people's customary land and property and inheritance rights.
- (vii) Land acquisition and resettlement (if any) will be conceived of as part of the project and related costs will be included in and financed out of the project cost and deemed to be included in the civil works cost.
- (viii) Resettlement impacts (if any), including any unforeseen losses that may occur during construction will be monitored and remedial steps taken as required.

C. Initial Screening

41. Any subproject that is to be considered will be screened and prioritized based on technical and socio-economic criteria agreed between the Government of Pakistan and ADB. Moreover, consistent with the overriding concern of the RF that every effort must be exhausted to ensure that any and all adverse social impacts of subprojects are avoided or mitigated, a subproject will have to be evaluated using the IR screening Checklists (Annex- J) The screening checklists aims to provide the Executing Agency and the ADB preliminary information on involuntary resettlement that will aid them to decide on whether or not a subproject is worth pursuing. Specifically, the screening matrix will provide a preliminary estimate of the scale and magnitude of involuntary resettlement, coupled with an assessment of the capacity and preparedness of the Government to address said adverse social impacts, if there are any.

D. RP Preparation

42. If resettlement impacts are unavoidable and preparation of a resettlement plan is therefore required, a RP will be prepared following detailed design using the following procedures:

- (i) Undertake a census of all APs.
- (ii) Undertake detailed measurement survey (DMS) of all losses of all APs. At the same time, inform potential APs (without discrimination) of the subproject, it's likely impacts, and principles and entitlements as per the RF.
- (iii) Undertake a socioeconomic survey (SES) of all APs.

- (iv) Undertake a replacement cost survey for various types of affected assets as a basis for determining compensation rates at replacement cost. Determine the losses in accordance with the entitlement matrix.
- (v) Provide project and resettlement information to all persons affected in a form and language that is understandable to them, and closely consult them on compensation and resettlement options, including relocation sites and economic rehabilitation.
- (vi) Prepare the draft RP with time-bound implementation schedule, procedures for grievance mechanism and monitoring and evaluation, and a budget.
- (vii) Finalize the subproject RP and translate the summary Project Information Book (PIB) in local language.
- (viii) Disclose the draft and final RP in accordance with ADB's policy on public communications to the affected communities and on ADB's website. The draft RP will be disclosed to APs prior to submission to ADB for approval. The final RP will be disclosed after approval.

E. Surveys for RP Preparation

43. Table 2 shows surveys that will be required for the preparation of a Resettlement plan as (if required) described in Table 2 below.

Table 2: Surveys for RP Preparation

Detailed Measurement Survey (DMS)	<p>The census and detailed measurement survey (DMS) of lost assets will collect data on the affected assets from 100% of APs following detailed engineering design. The data collected during the DMS will constitute the formal basis for determining AP entitlements and levels of compensation. For each AP, the scope of the data will include:</p> <ul style="list-style-type: none"> • Total and affected areas of land, by type of land assets; • Total and affected areas of structures, by type of structure (main or secondary); • Legal status of affected land and structure assets, and duration of tenure and ownership; • Quantity and types of affected crops and trees; • Quantity of other losses, e.g., business or other income, jobs or other productive assets; estimated daily net income from informal shops; • Quantity/area of affected common property, community or public assets, by type; • Summary data on AHs, by ethnicity, gender of head of household, household size, level, whether household is headed by women, elderly, disabled, poor or indigenous peoples; • Identify whether affected land or source of income is primary source of income. • AP knowledge of the subproject and preferences for compensation and, as required, relocation sites and rehabilitation measures.
Socioeconomic Survey	<p>The socioeconomic survey (SES) will collect information from a sample of all AHs, disaggregated by gender and ethnicity. The purpose of the socioeconomic survey is to provide baseline data on AHs to assess resettlement impacts, and to be sure proposed entitlements are appropriate, and to be used for resettlement monitoring. The scope of data to be collected includes:</p> <ul style="list-style-type: none"> • Household head: name, sex, age, livelihood or occupation, income, education and ethnicity; • Household members: number, livelihood or occupation, school age children and school attendance, and literacy, disaggregated by gender; • Living conditions: access to water, sanitation and energy for cooking and lighting; ownership of durable goods; and • Access to basic services and facilities.
Replacement	<p>The replacement cost survey (RCS) will be done in parallel with DMS and SES activities by</p>

Cost Survey	collecting information from both secondary sources and primary sources (direct interviews with people in the affected area, material suppliers, house contractors, local governments), and from both those affected and those not affected. Compensation rates will be continuously updated to ensure that APs receive compensation at replacement cost at the time of compensation payment.
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F. Implementation Schedule

44. The RP implementation schedule will vary from subproject to subproject. The process can be lengthy in most of the cases if it involves land acquisition (in Pakistan normally it takes 10 to 15 months). In general, the project implementation will consist of the major phases of project preparation, land acquisition and rehabilitation of APs. The specific resettlement-related activities to be performed such as social impact assessment, census and socio-economic survey, resettlement planning, public consultation, development of mitigation measures and income restoration measures, implementation RP, monitoring and evaluation, and their subproject implementation schedule will all be detailed in the resettlement planning document.

45. Disbursement of cash will follow the approval of budgets for cash compensation. The PMU will inform the APs of the schedule of fund release. They will also advise the APs to produce acceptable legal documents pertaining to their identification for claiming the compensation. It is the main responsibility of the PMU to ensure that all the compensations and entitlements have been paid to and settled with APs prior to the construction activities. The APs will sign a document signifying their satisfaction with and receipt of the compensation package. Proposed Implementation Schedule is provided in Table no 3.

Table 3: Implementation Schedule

Activity	No	Description of Activity	Responsibility
Subproject Preparation	1.	Finalization of Sites for subprojects	Resource persons/PMU/PIU /Jirga
	2.	Detailed scoping of potential land acquisition and resettlement impacts	Resource persons / PMU/PIU/Jirga
	3.	Review/update of subproject design indicating whether LAR is necessary	Resource persons /PMU/PIU/RS/APCs
	4.	Roles, responsibilities and action plan for LARP tasks	Resource persons /PMU/PIU/RS
LARP Preparation	1.	Proposal to Revenue Dept. with summary of subproject and LAR component	PMU/PIU/RS
	2.	Publication of Notice of Intent to acquire land according to land acquiring practices in FATA. (if required)	PA & administration/FATA Secretariat
	3.	Preparation of census, impact assessment and socio-economic surveys.	Resource persons /RS/ PMU/PIU
	4.	Training of survey, assessment and valuation teams.	Resource Persons/RS/ PMU/PIU
	5.	Verification of land ownership	PA & administration/PMU/PIU/APCs/Jirga
	6.	DMS, valuation survey	Resource persons/RS/ PMU/PIU
	7.	Review of census, socio-economic and other social surveys	Resource persons/RS/ PMU/PIU
	8.	Public consultations and negotiations.	Resource persons/RS/ PMU/PIU/APC/Jirga
	9.	Preparation of LARPs with results of census and socio-economic survey	RS/PMU/PIU

Activity	No	Description of Activity	Responsibility
	10.	Approval of LARP	PMU/FATA Secretariat/ PMU/PIU
	11.	Submission of LARP to ADB	P&DD FATA
LARP implementation	1.	LARP public disclosure	Resource persons/RS/ PMU/ PIU/ADB
	2.	Award of checks for land compensation	PA & administration/FATA Secretariat/PMU/PIU
	3.	Award of other compensation, assistance and rehabilitation measures	PA & administration/ FATA Secretariat/PMU/PIU
	4.	Relocation and reconstruction	PMU/PIU /Resource persons
	5.	Income rehabilitation and substitution activities	PMU/APC/RS
	6.	Approval of subproject contract awards	ADB
	7.	Review of LARP implementation	PMU/ADB/resource persons
Post Implementation/ Recurring Tasks	1.	Internal monitoring: monthly report to PMU; quarterly report to ADB	RS/ PMU/PIU
	2.	External monitoring: biannual report to P&DD FATA and ADB	EM
	3.	External evaluation of LARP program	EM
	4.	Grievance redress	FATA-PA administration/ Jirga/APCs/ PMU/PIU
	5.	Communication with APs	FATA-PA & administration/ Jirga/APCs/ PMU/PIU
	6.	Review and facilitation meetings	RS/ PMU/PIU /RSU/Jirga

APC=affected Person committee, EM= External Monitor, Jirga=Local influential elders, PA= Political agent, P&DD= Planning & development department, PIU=Project Implementation Unit, PMU= Project Management Unit, RS= Resettlement specialist.

46. The PMU will ensure that the RF is implemented in coordination with the requirements set in the Land Acquisition and resettlement Framework.

G. Consultation Participation and Disclosure

47. Each resettlement plan will be prepared and implemented in close consultation with the stakeholders and will involve focus group discussions and meetings, particularly with the APs. Consultations will be gender inclusive and ensure vulnerable households are included. The decisions of such meetings will be recorded, and these records will indicate the responsibility and timeline for implementing the decisions. Each resettlement plan will document all public consultations held and the disclosure of resettlement information. During resettlement plan preparation, resettlement information will be disclosed to all DPs in their own language, and their views and opinions will be taken into consideration in finalizing the plans. Since many DPs are likely to be non-literate, the LARPs will be explained to them in separate groups. Particular attention will be placed on including women and vulnerable groups in all consultations. The summary of the RP/s will be disclosed on ADB and FATA Secretariat websites and the consultation will continue throughout the project implementation period. In case there is no impact and no RP, the EA will make disclosure of the same – informing the main villages, habitations, market places in the subproject area that no land or structure will be affected by any activities of this project. Final LARPs will be translated into local languages and disclosed through public notices posted at the EA/IA offices and posted on ADB's website. Affected people will be closely consulted in resettlement site selection and livelihood restoration as relevant.

VI. Vulnerability, Gender, and Ethnicity

48. If there are any LAR impacts, the vulnerable AHs are distinct groups of people who might suffer disproportionately or face the risk of being further marginalized by the effects of resettlement. These are female-headed households with dependents, disabled household heads and households falling under the generally accepted indicator for poverty, children and elderly who are landless and with no other means of support, landless households, ethnic minorities. Particular attention will be given to poor and vulnerable AHs during RP preparation and implementation. Separate consultation meetings will be conducted with these households on specific resettlement concerns, such as compensation and entitlements, rehabilitation of livelihoods and relocation as relevant. All public information and consultation meetings will ensure that vulnerable households are present.

49. With regard to gender strategy, it includes specific activities to ensure project benefits for women as shown below.

- (i) Consultation meetings on resettlement activities will be held separately with women, female headed households and elderly women;
- (ii) The resettlement working group will include women representatives from affected Households;
- (iii) At the inception of the Project, a capacity building training program on resettlement activities will be designed for the women and men local officials, and women and men from affected households to orient them about resettlement activities. Participation of poor women, female headed households in the training will be ensured;
- (iv) The training will include information on resettlement activities, management of cash assistance received, grievance procedures and impact of the project on livelihood activities
- (v) The capacity building training on resettlement issues will be conducted separately for women including the female-headed households;
- (vi) During the conduct of the DMS, men and women from the households will participate in the said activity;
- (vii) Livelihood activities will be planned with active involvement of women; need assessment for livelihood activities and skill development of livelihood activities will be conducted separately for women members, poor women, female-headed households, and elderly women;
- (viii) Assistance for affected non-land assets and other allowances will be given to both men and women from the households; Specific attention will be provided for the poor women headed households, elderly women in paying the compensation on time and developing suitable livelihood activities for elderly and poor female headed households;
- (ix) Separate discussion with women members, female headed households, elderly women, ethnic minority household for selection of relocation sites, housing structure, and other social infrastructures, including timing of relocation;
- (x) Special measures will be taken in the relocation of elderly, disabled and female headed households in terms of location of new site together with their extended families/relatives.
- (xi) Disaggregated monitoring indicators by gender will be developed for monitoring of Social benefits, economic opportunities, livelihood program, and resettlement.

VII. Grievance Redress Mechanism

50. Complaints and grievance procedures will be outlined in each resettlement plan and grievance redress committees will be established at each agency for subprojects. This committee will be chaired by the political agent, assisted by a political tehsildar, with representatives from the LARC, line departments, affectees and other stakeholders. For all disputes other than those relating to legal ownership rights, the committee will review grievances involving all resettlement benefits, relocation, and other assistance. The GRCs will function as open forums for hearing complaints and exploring quick resolutions to resolving conflicts. Each GRC will record its deliberations and inform the concerned parties of a resolution within 2-4 weeks of its findings and recommendations. To ensure women have access to the grievance mechanism, separate focus group discussions will be held with them to design protocols that are suited to their needs including procedures and mechanisms to enable their access to the mechanism.

VIII. Resettlement Budget and Financing

51. Detailed budget estimates for each RP will be prepared which will be included in the overall project estimate. The budget shall include: (i) detailed costs of land acquisition, relocation, and livelihood and income restoration and improvement; (ii) source of funding; (iii) administrative costs (iv) monitoring cost (v) cost of hiring consultants (vi) arrangement for approval, and the flow of funds and contingency arrangements. The land acquisition, compensation, relocation and rehabilitation, administrative, monitoring and consultant cost, income and livelihood restoration cost will be considered as an integral component of project costs. All land acquisition and resettlement costs will be in the project budget and funded through the loan, with the EA to ensure timely disbursement of funds to the concerned authorities for compensation to the affected households and persons.

IX. Monitoring and Evaluation

A. Internal monitoring

52. The Project Implementation Units will serve as the Project's internal monitoring body. Quarterly reports will be submitted to the Project Management Unit (PMU) starting from the commencement of RP updating, which coincides with the conduct of the detailed measurement survey and other RP updating activities. The PMU in turn will include updates on resettlement in its regular progress reports to ADB. Social monitoring reports will be made available to the affected households and will be submitted to ADB for web posting.

53. Internal monitoring and supervision will have the following objectives:

- (i) Compensation and other entitlements are computed at rates and procedures as provided in the approved RP, with no discrimination according to gender, vulnerability, or any other factor.
- (ii) Affected households are paid their compensation and other entitlements as per approved Updated RP, ensuring that all entitlements are delivered as planned and agreed, including compensation in cash or in kind, allowances, replacement land, resettlement sites developed and people moved onto them.
- (iii) Livelihood restoration programs designed and delivered including modifications in the programs and provision of additional cash and in-kind assistance to the participating affected households as and when necessary.

- (iv) Public information, public consultation and grievance redress procedures are followed as described in the approved RP.
- (v) Capacity of APs to restore/re-establish livelihoods and living standards. Special attention will give to severely affected and vulnerable households. Focus will also be given if the objective of improving socio-economic condition of vulnerable households is achieved.
- (vi) Affected public facilities and infrastructure are restored promptly; and
- (vii) The transition between resettlement and commencement of civil works is smooth and that sites are not handed over for civil works until affected households have been satisfactorily compensated and resettled.

B. External monitoring

54. The main objective of external monitoring is to provide an independent periodic review and assessment of (i) achievement of resettlement objectives; (ii) changes in living standards and livelihoods; (iii) restoration and/or improvement of the economic and social base of the affected people; (iv) effectiveness and sustainability of entitlements; and (v) the need for further mitigation measures.

55. The external monitoring agency (EMA) will be recruited by the PIU or PMU prior to RP updating activities. Relative to compliance monitoring during resettlement implementation, the main activities of the EMA will revolve around the following:

- (i) Review existing baseline data and gather additional socio-economic information, as necessary, on sample affected households;
- (ii) Monitor updating and implementation of the RP;
- (iii) Identify any discrepancy between policy requirements and actual implementation of resettlement.
- (iv) Monitor the resolution of complaints and grievances of affected households; and
- (v) Provide recommendations for improving resettlement updating and implementation.
- (vi) Review compliance with regard to use of ADB loan funds for land acquisition and resettlement.
- (vii) Issue certification that each AP has received the full payment.
- (viii) Carry out resettlement audit

56. Specific to resettlement updating and implementation activities, the EMA will monitor and evaluate specific issues such as the following:

- (i) Public consultation and awareness of resettlement policy and entitlements.
- (ii) Coordination of resettlement activities with construction schedule.
- (iii) Construction/Rebuilding of replacement houses and structures to new relocation sites.
- (iv) Level of satisfaction of AHs with the provisions and implementation of the RP.
- (v) Grievance redress mechanism (documentation, process, resolution).
- (vi) Effectiveness, impact and sustainability of entitlements and income restoration programs and the need for further improvement and mitigation measures.
- (vii) Relocation site development (housing and market) from identification of sites in consultation with AHs, to resettlement site development and relocation of AHs.
- (viii) Capacity of affected households to restore/re-establish livelihoods and living standards. Special attention will be given to severely affected households and

vulnerable households focusing on achieving project objectives of improving socio-economic statistics of vulnerable households.

Annex - A

OUTLINE OF A RESETTLEMENT PLAN

1. This outline is part of the Safeguard Requirements. A resettlement plan is required for all commensurate with the significance of potential involuntary resettlement impacts and projects with involuntary resettlement impacts. The level of detail and comprehensiveness is risks. The substantive aspects of the outline will guide the preparation of the resettlement plans, although not necessarily in the order shown. If indigenous people are affected, the plan will identify the risks and include special provisions to mitigate these risks.

A. Executive Summary

2. This section provides a concise statement of project scope, key survey findings, entitlements, and recommended actions.

B. Project Description

3. This section provides a general description of the project, discusses project components that result in land acquisition, involuntary resettlement, or both and identify the project area. It also describes the alternatives considered to avoid or minimize resettlement. The section is also to include a table with quantified data and provide a rationale for the final decision.

C. Scope of Land Acquisition and Resettlement

4. This section:

- (i) discusses the project's potential impacts, and includes maps of the areas or zone of impact of project components or activities;
- (ii) describes the scope of land acquisition (provide maps) and explains why it is necessary for the main investment project;
- (iii) summarizes the key effects in terms of assets acquired and displaced persons; and
- (iv) provide details of any common property resources that will be acquired.

D. Socioeconomic Information and Profile

5. This section outlines the results of the social impact assessment, the census survey, and other studies, with information and/or data disaggregated by sex, vulnerability, and other social groupings, including:

- (i) define, identify, and enumerate the people and communities to be affected; describe the likely impacts of land and asset acquisition on the people and communities affected taking social, cultural, and economic parameters into account;
- (ii) identify all households (including list of names) eligible for livelihood assistance to support livelihood loss due to delayed land compensation.
- (iii) discuss the project's impacts on the poor, and other vulnerable groups; and
- (iv) identify gender and resettlement impacts, and the socioeconomic situation, impacts, needs, and priorities of women.

E. Information Disclosure, Consultation, and Participation

6. This section:

- (i) identifies project stakeholders, especially primary stakeholders;
- (ii) describes the consultation and participation mechanisms to be used during the different stages of the project cycle;
- (iii) describes the activities undertaken to disseminate project and resettlement information during project design and preparation for engaging stakeholders including women;
- (iv) summarizes the results of consultations with displaced persons (including host communities), and discusses how concerns raised and recommendations made were addressed in the resettlement plan;
- (v) confirms disclosure of the draft resettlement plan to displaced persons and includes arrangements to disclose any subsequent plans; and
- (vi) describes the planned information disclosure measures (including the type of information to be disseminated and the method of dissemination) and the process for consultation with displaced persons during project implementation.

F. Grievance Redress Mechanisms

7. This section describes mechanisms to receive and facilitate the resolution of displaced persons' concerns and grievances. It explains how the procedures are accessible to displaced persons and provides access to women. It described the terms of reference, operating procedures, protocols, outreach program and linkages to the ombudsman's office.

G. Legal Framework

8. This section:

- (i) describes national and local laws and regulations that apply to the project and identify gaps between local laws and ADB's policy requirements; and discuss how any gaps will be addressed;
- (ii) describes the legal and policy commitments from the executing agency for all types of displaced persons;
- (iii) outlines the principles and methodologies used for determining valuations and compensation rates at replacement cost for assets, incomes, and livelihoods; and set out the compensation and assistance eligibility criteria and how and when compensation and assistance will be provided; and
- (iv) describes the land acquisition process and prepare a schedule for meeting key procedural requirements.

H. Entitlements, Assistance and Benefits

9. This section:

- (i) defines displaced persons' entitlements and eligibility, and describes all resettlement assistance measures (includes an entitlement matrix);
- (ii) identify and document the households who will be eligible for transitional livelihood support if compensation payments for land are delayed for six months;
- (iii) specifies all assistance to vulnerable groups, including women, and other special groups; and

- (iv) outlines opportunities for displaced persons to derive appropriate development benefits from the project.

I. Relocation of Housing and Settlements

10. This section:

- (i) describes options for relocating housing and other structures, including replacement housing, replacement cash compensation, and/or self-selection (ensure that gender concerns and support to vulnerable groups are identified);
- (ii) describes alternative relocation sites considered; community consultations conducted; and justification for selected sites, including details about location, environmental assessment of sites, and development needs;
- (iii) provides timetables for site preparation and transfer;
- (iv) describes the legal arrangements to regularize tenure and transfer titles to resettled persons;
- (v) outlines measures to assist displaced persons with their transfer and establishment at new sites;
- (vi) describes plans to provide civic infrastructure; and
- (vii) explains how integration with host populations will be carried out.

J. Income Restoration and Rehabilitation

11. This section:

- (i) identifies livelihood risks particularly to vulnerable and indigenous people (if affected) and prepare disaggregated tables based on demographic data and livelihood sources;
- (ii) describes income restoration programs, including multiple options for restoring all types of livelihoods (examples include project benefit sharing, revenue sharing arrangements, joint stock for equity contributions such as land, discuss sustainability and safety nets);
- (iii) outlines measures to provide social safety net through social insurance and/or project special funds;
- (iv) describes special measures to support vulnerable groups;
- (v) explains gender considerations; and
- (vi) describes training programs.

K. Resettlement Budget and Financing Plan

12. This section:

- (i) provides an itemized budget for all resettlement activities, including for the resettlement unit, staff training, monitoring and evaluation, and preparation of resettlement plans during loan implementation.
- (ii) describes the flow of funds (the annual resettlement budget should show the budget-scheduled expenditure for key items).
- (iii) includes a justification for all assumptions made in calculating compensation rates and other cost estimates (taking into account both physical and cost contingencies), plus replacement costs.
- (iv) includes information about the source of funding for the resettlement plan budget.

L. Institutional Arrangements

13. This section:

- (i) describes institutional arrangement responsibilities and mechanisms for carrying out the measures of the resettlement plan;
- (ii) includes institutional capacity building program, including technical assistance, if required;
- (iii) describes role of nongovernment organizations (NGOs), if involved, and organizations of displaced persons in resettlement planning and management; and
- (iv) describes how women's groups will be involved in resettlement planning and management.

M. Implementation Schedule

14. This section includes a detailed, time bound, implementation schedule for all key resettlement and rehabilitation activities. The implementation schedule should cover all aspects of resettlement activities synchronized with the project schedule of civil works construction, and provide land acquisition process and timeline.

N. Monitoring and Reporting

15. This section describes the mechanisms and benchmarks appropriate to the project for monitoring and evaluating the implementation of the resettlement plan. It specifies arrangements for participation of displaced persons in the monitoring process. This section will also describe reporting procedures.

Annex - B

Indigenous Peoples Impact Categorization Form for FWRDP

A. Project Data

Country/ Project Title:

Department/ Division: **Processing Stage:**

Retroactive Financing: **New Project:**

Lending Modality: Project Loan Financial Intermediation Loan or Equity Investment
 Program Loan Emergency Loan
 Sector Loan SDP Loan

Categorization Status: New Re-classification Previous Category

B. Identification of indigenous peoples in project area

Impact on indigenous peoples (IPs)/ ethnic minority(EM)	Not known	Yes	No	Remarks identified problems, if any	or
Are there IPs or EM groups present in project locations?					
Do they maintain distinctive customs or economic activities that may make them vulnerable to hardship?					
Will the project restrict their economic and social activity and make them particularly vulnerable in the context of project?					
Will the project change their socioeconomic and cultural integrity?					
Will the project disrupt their community life?					
Will the project positively affect their health, education, livelihood or social security status?					
Will the project negatively affect their health, education, livelihood or social security status?					
Will the project alter or undermine the recognition of their knowledge, preclude customary behaviors or undermine customary institutions?					
In case no disruption of indigenous community life as a whole, will there be loss of housing, strip of land, crops, trees and other fixed assets owned or controlled by individual indigenous households?					

C. Anticipated project impacts on indigenous peoples

Project activity and output	Anticipated positive effect	Anticipated negative effect
1.		
2.		
3.		
4.		
5.		

D. Decision on Categorization

After reviewing the answer above, the Social safeguards specialist/team agree that the project:

- Should be categorized as an **A project**, an Indigenous Peoples Development Plan (IPDP) is required or, for sector/FI projects, an Indigenous Peoples Development Framework (IPDF) is required
- Should be categorized as a **B project**, a specific action favorable to indigenous peoples/ethnic minority is required and addressed through a specific provision in RRP and in related plans such as a Resettlement Action Plan, a Gender Action Plan or a general Community Participatory Plan
- Should be categorized as a **C project**, no IPDP/IPDF or specific action required.

Project Team Comments:

Proposed
by _____

by: _____ Reviewed

Project Management Unit Official
Date: _____

Social Safeguard Specialist
Date _____

Approved by ADB

Date. _____

Annex - C

OUTLINE OF AN INDIGENOUS PEOPLES PLAN

This outline is part of the Safeguard Requirements 3. An Indigenous Peoples plan (IPP) is required for all projects with impacts on Indigenous Peoples. Its level of detail and comprehensiveness is commensurate with the significance of potential impacts on Indigenous Peoples. The substantive aspects of this outline will guide the preparation of IPPs, although not necessarily in the order shown.

A. Executive Summary of the Indigenous Peoples Plan

This section concisely describes the critical facts, significant findings, and recommended actions.

B. Description of the Project

This section provides a general description of the project; discusses project components and activities that may bring impacts on Indigenous Peoples; and identify project area

C. Social Impact Assessment

This section:

- (i) reviews the legal and institutional framework applicable to Indigenous Peoples in project context.
- (ii) provides baseline information on the demographic, social, cultural, and political characteristics of the affected Indigenous Peoples communities; the land and territories that they have traditionally owned or customarily used or occupied; and the natural resources on which they depend.
- (iii) identifies key project stakeholders and elaborate a culturally appropriate and gender-sensitive process for meaningful consultation with Indigenous Peoples at each stage of project preparation and implementation, taking the review and baseline information into account.
- (iv) assesses, based on meaningful consultation with the affected Indigenous Peoples communities, the potential adverse and positive effects of the project. Critical to the determination of potential adverse impacts is a gender-sensitive analysis of the relative vulnerability of, and risks to, the affected Indigenous Peoples communities given their particular circumstances and close ties to land and natural resources, as well as their lack of access to opportunities relative to those available to other social groups in the communities, regions, or national societies in which they live.
- (v) includes a gender-sensitive assessment of the affected Indigenous Peoples' perceptions about the project and its impact on their social, economic, and cultural status.
- (vi) identifies and recommends, based on meaningful consultation with the affected Indigenous Peoples communities, the measures necessary to avoid adverse effects or, if such measures are not possible, identifies measures to minimize, mitigate, and/or compensate for such effects and to ensure that the Indigenous Peoples receive culturally appropriate benefits under the project.

D. Information Disclosure, Consultation and Participation

This section:

- (i) describes the information disclosure, consultation and participation process with the affected Indigenous Peoples communities that was carried out during project preparation;
- (ii) summarizes their comments on the results of the social impact assessment and identifies concerns raised during consultation and how these have been addressed in project design;
- (iii) in the case of project activities requiring broad community support, documents the process and outcome of consultations with affected Indigenous Peoples communities and any agreement resulting from such consultations for the project activities and safeguard measures addressing the impacts of such activities; (iv) describes consultation and participation mechanisms to be used during implementation to ensure Indigenous Peoples participation during implementation; and
- (v) confirms disclosure of the draft and final IPP to the affected Indigenous Peoples communities.

E. Beneficial Measures

This section specifies the measures to ensure that the Indigenous Peoples receive social and economic benefits that are culturally appropriate, and gender responsive.

F. Mitigative Measures

This section specifies the measures to avoid adverse impacts on Indigenous Peoples; and where the avoidance is impossible, specifies the measures to minimize mitigate and compensate for identified unavoidable adverse impacts for each affected Indigenous Peoples groups.

G. Capacity Building

This section provides measures to strengthen the social, legal, and technical capabilities of (a) government institutions to address Indigenous Peoples issues in the project area; and (b) Indigenous Peoples organizations in the project area to enable them to represent the affected Indigenous Peoples more effectively.

H. Grievance Redress Mechanism

This section describes the procedures to redress grievances by affected Indigenous Peoples communities. It also explains how the procedures are accessible to Indigenous Peoples and culturally appropriate and gender sensitive.

I. Monitoring, Reporting and Evaluation

This section describes the mechanisms and benchmarks appropriate to the project for monitoring, and evaluating the implementation of the IPP. It also specifies arrangements for participation of affected Indigenous Peoples in the preparation and validation of monitoring, and evaluation reports.

J. Institutional Arrangement

This section describes institutional arrangement responsibilities and mechanisms for carrying out the various measures of the IPP. It also describes the process of including relevant local organizations and NGOs in carrying out the measures of the IPP.

K. Budget and Financing

This section provides an itemized budget for all activities described in the IPP.

Annex- D**History of FATA**

1. The areas that today make up FATA were once part of the colonial conflict of the 19th century. For the British colonial administrators of India, effective control of the region was imperative for the defense of their possessions, serving as a bulwark against Russian expansionism in Central Asia. It proved difficult, however, for the colonial government to establish its writ in the tribal areas.
2. Colonial administrators oversaw but never fully controlled the region through a combination of British-appointed agents and local tribal elders. The people were free to govern internal affairs according to tribal codes, while the colonial administration held authority in what were known as protected and administered areas over all matters related to the security of British India.
3. Although various tribes cooperated with the British off and on in return for financial incentives, this quid pro quo arrangement was never completely successful. Throughout the latter half of the 19th century, British troops were embroiled in repeated battles with various tribes in the area. Between 1871 and 1876, the colonial administration imposed a series of laws, known as the Frontier Crimes Regulations, prescribing special procedures for the tribal areas, distinct from the criminal and civil laws that were in force elsewhere in British India. These regulations, which were based on the idea of collective territorial responsibility and provided for dispute resolution to take place through a Jirga (council of elders), also proved to be inadequate.
4. Frustrated in their efforts to subdue the region, the British in 1901 issued a new Frontier Crimes Regulation that expanded the scope of earlier regulations and awarded wide powers, including judicial authority, to administrative officials. In the same year, a new administrative unit, the North-West Frontier Province, was created by carving out parts of the then Punjab province and adding certain tribal principalities. The province, as it was constituted at the time, included five settled districts (Bannu, Dera Ismail Khan, Hazara, Kohat and Peshawar) and five tribal agencies (Dir-Swat-Chitral, Khyber, Kurram, North Waziristan and South Waziristan), and was placed under the administrative authority of a chief commissioner reporting to the Governor-General of India (Hunter et al., 1840-1900).
5. The institution of the political agent was created at this time. Each agency was administered by a political agent who was vested with wide powers and provided funds to secure the loyalties of influential elements in the area. It was also during this period that the maliki system was developed to allow the colonial administration to exercise control over the tribes. Under this system, local chiefs (maliks) were designated as intermediaries between the members of individual tribes and the colonial authorities, and assisted in the implementation of government policies.
6. Despite these efforts, bolstered by repeated military campaigns, the colonial administration retained what was at best a tenuous hold on the area until the British quit the region in 1947. Soon after Independence, the various tribes in the region entered into an agreement with the government of Pakistan, pledging allegiance to the newly created state. Some 30 instruments of accession were subsequently signed, cementing this arrangement. To

the tribal agencies of Khyber, Kurram, North Waziristan and South Waziristan were later added Mohmand Agency (in 1951), and Bajaur and Orakzai (in 1973).

7. Accession did not subsume the political autonomy of the tribes. The instruments of accession, signed in 1948, granted the tribal areas a special administrative status. Except where strategic considerations dictated, the tribal areas were allowed to retain their semi-autonomous status, exercising administrative authority based on tribal codes and traditional institutions. This unique system, given varying degrees of legal cover in each of the country earlier constitutions, was crystallized in the Pakistan Constitution of 1973.

Annex- E

Location and Demography of the Three Selected Agencies

1. Bajaur Agency

1. Bajaur Agency lies between latitude 34° 30' and 34° 59' N and longitude 71° 14' and 71° 48' E. It is drained by Watalai River and its tributaries, which is a tributary of Jandool River that eventually falls into the Panjkora River. In 1998, the estimated total population was about 590,000 residing in 598 settlements and has increased to about 1.2 million by 2013, assuming a growth rate of about 4.3%²⁶. The geographic area of the agency is spread over 1,290 km² with a present population density of about 930 per km² and male-female ratio is 1:1.05. The total cultivated area of the agency is about 75,350 ha²⁷, while the forest area is about 26,471 ha. The major crops grown are wheat, maize, vegetables and orchid.

2. The agency experiences extreme climate. The winter season begins in November and lasts up to March. The weather in winter is extremely cold. The months of December, January and February are generally the coldest, during which temperature plunges below freezing point. The mean minimum and maximum temperature in these months range from 5°C to 16°C²⁸. The summer season starts in April and lasts till end October. June, July and August are the hottest months, during which the mean minimum and maximum temperatures range between 23°C and 36°C. Rains during winter and spring are common and the average annual rainfall is about 738 mm.

2. Khyber Agency

3. Khyber Agency covers an area of 2,556 km² and is located between latitude 34° 45' and 34°-20' North and longitude 70° 26' and 71° 32'E. The area drains into Kabul River in the north and Bara River towards south. Total population of the agency in 1998 was about 547,000 living in 325 settlements, and is estimated to have increased to about 1.0 million by 2013, with growth rate of 3.92%. The population density is about 391 persons per km² while the male-female ratio is 1:1.09. Area cultivated is 20,075 ha and forest area is about 2,070 ha. The major crops grown are wheat, maize and vegetables. The agency has severe weather i.e. very cold in winters and very hot in summers. December and January are the coldest months of the year. The summer temperatures range from 23°C to 45°C and average annual rainfall is about 519 mm.

3. Mohmand Agency

4. The Mohmand Agency lies between latitude 34° 08' and 34° 21' N and longitude 70°-58' and 71° 42'E. It is drained by tributaries of the Kabul and Swat rivers. It covers an area of 2,296 km². As per 1998 census, the total population was about 334,000 residing in 283 settlements and estimated to have increased to about 600,000 by 2013 with growth rate of 4.28 %. The population density is about 261 persons per km² and male-female ratio is 1:1.10. The total cultivated area is about 21,434 ha and forest area is about 9,883 ha. The major crops grown are wheat and sorghum. Climate of the agency is hot in summer and cold in winter. The summer season commences from May and ends in August. The winter season starts from November and ends in February. The rainfall is scanty and mostly received during winter season. The average annual rainfall is about 422 mm.

²⁶ FATA Development Statistics 2012

²⁷ FATA Development Statistics 2012

²⁸ Pakistan Meteorological Department, 2008

a. Soils in the Project Area

5. The Project area consists of an interesting blend of sedimentary, igneous and metamorphic rocks. The most common sedimentary formations consist of sandstone, limestone, shale and conglomerates. Metamorphic rocks in the area include schist, slate and marble, and thick patches of pure clay are also significant. The soils are derived mainly from the local weathering of bedrock deposited by streams and rivers, though windblown soil also exists to some extent. Landform in the area is varied and includes piedmont, plains, valleys, gravel fans, rough broken land and gullied land. Level areas are loamy, while lowlands are calcareous in nature. The organic matter and phosphorus content are very low.

Annex- F

Land and People of the Project Area

1. Land Types and Use Patterns

1. Land use pattern of a region is a product of the available natural resources and the human effort. The richer the natural resources and higher the human effort, the more beneficial use patterns of land, water and other natural resources. Topographically, the project area has two types of lands, the rocky hills and the alluvial valleys. Overall, the rocky hills dominate the project area, which surround the alluvial valleys of varying sizes. This unfavorable land condition is further hampered by inadequate rainfall and declining groundwater resources. As a consequence, only less than one-fourth of the total land area of the project agencies is presently cultivated, of which approximately one-fourth has irrigation water, while the remaining depends solely on the natural rainfall conditions.

2. In addition, a fairly large portion of the lands is wasteland which is largely barren and lying unused. These lands have a limited to fairly good potential for development for agriculture, horticulture, pasture and tree (firewood/timber) production, provided the lands are developed and irrigation water is made available. The existing pasture and oak forests together cover another one-fourth of the total project area, but with nominal to poor growth of the respective vegetation.

2. Land Rights

3. In FATA, all the natural resources (land, forests, pastures, water, minerals, etc.) are shared by both ownership and utilization based on the blood-line, clan, lineage and family. In the past, most of these Agency sub-tribes were practicing *wesh* or periodic redistribution or randomized rotation system. Accordingly, the sub-tribe would hold a *wesh-jirga* after every 30 to 50 year period to hold a random-draw by each clan, and the clan by each lineage and family to decide where to move with their families, livestock and all movable belongings to other villages within the sub-tribal territory. As a result, the residents of each valley/village-A may move to valley/village-C for the next *wesh*-period. This was for the purposes collective ownership and equitable utilization of the resources and collective security concerns.

4. But now the traditional *wesh*-system has been abandoned in most of the FATA region, and the clans and lineages are now permanently settled in their respective territories, mostly comprising different watersheds and sub-watersheds. They no longer shift from valley to valley, or village to village, and the land and water ownership and usufruct rights are fairly clearly defined and established by clans and lineages. The ownership of land by families (extended/joint) is more evident where its dominant use is made for housing and agricultural production. In contrast, the forest, pasture and water resources are considered as the common resources by sub-tribes and clans, with equal usufruct rights for all, while the incomes from the sale of forest products are shared proportionately by the number of male members.

5. There are generally two systems of distribution of land and water rights, namely, the *Khanate* system and the tribal bloodline distribution system. A third category is that of *seri* lands, the lands given historically permanently by the *Pukhtuns* to the religious clans, especially the *Syeds* or *Sahibzadgan*, which are also distributed further among the brothers and their off-springs, by following the same bloodline distribution system. Under the *khanate* system, found in most parts of Bajaur agency only, the land, water and all other natural resources (i.e., forest, pasture and minerals) are owned by the *khans*, while all the other people are given customary

tenancy and usufruct rights. The land-holdings are usually possessed and managed collectively by the lineage leader, usually the eldest man, tilled by permanent tenants on sharecrop basis, and the produce is distributed among the constituent *khan* families according to their respective shares. In some cases, the land and/or produce share is also given to the women.

6. There are two crop-sharing tenancy systems in the area. Where the *khan* provides all inputs, he collects 50 percent share of produce, but where he does not provide anything except land, he gets 20 to 25 percent of the produce. Besides the customary tenants (who run as such through generations), there lives a large population of the landless, who have traditionally been provided with small housing plots by the *khans*, whereupon they have constructed houses by themselves. They were traditionally settled in to provide various services in agriculture and estate security, and are given limited usufruct rights. Some of the traditional tenants and the landless have become small landowners by purchasing small pieces of agricultural and housing lands from the *khans*. This trend began in the 1970s when heavy manpower out-flow occurred to the middle-east, and many of these people brought in big money that enabled them to buy land in the agency as well as in various areas in the nearby settled districts, such as, Dir, Charsaddah, Mardan, Swabi and Peshawar. Some well to do among them have purchased lands even in urban centers, like Karachi, Peshawar and Mardan cities.

7. The traditional bloodline distribution system of land and natural resources, however, is practiced across the board in both Mohmand and Khyber agencies, while it is found in small areas of Bajaur agency, especially in Utmankhel and Barang *tehsils*. Under this system, all the land, water and other natural resources are distributed equally among the male members of the clans, lineages and families. In practice, however, there are two major exceptions to this so-called "equal-distribution". Firstly, the people working down-country and abroad have been purchasing lands with externally earned money, both within their respective agencies as well as in the nearby settled districts and/or the far-off urban centers, like Karachi, Peshawar, Rawalpindi-Islamabad, etc. And, secondly, there have historically been a number of incidences, particularly in Khyber agency, of explicit forced-possession of lands, water, forest and mineral resources, reportedly, through stronger socio-political power or prolonged gunfights.

3. Water Rights

8. Water rights in the Project area follow customary practices, known as *warbandi* (rotational irrigation water supply). Customary law provides water rights on the basis of tribe or clan, with principles for use at the household level. Generally, the upstream tribe or clan has the first right, while the one on the downstream has secondary right. Where several tribes reside in the vicinity of a water source, each tribe or clan has a nonflexible mandatory diversion point. If quantities available from a particular source are limited, high delta crops are grown in alternate years by different tribes. Each tribe allocates the water for agricultural and other uses to the member households. The amount of water distributed depends on the size of the cultivated area but if water is scarce, small farmers' right is protected by restricting the quantities available to the larger landowner. If water source lies within an individual's land, that person has the first right. The maintenance of the irrigation channels and watercourses is the joint responsibility of the households that use them. Each family provides labor for cleaning and maintenance according to the share in the water. Households that cannot contribute labor provide food to others during maintenance works. The system is working satisfactorily. In case of occasional conflicts, the disputes are resolved by the Jirga.

Annex- G

Role of Jirga in tribal system

1. Jirga

1. A Pashto term for a decision making assembly of male elders; "most criminal cases are handled by a tribal Jirga rather than by laws or police"

2. *Jirga* system among *Pashtuns* represents a formal traditional institution of Justice, which is practiced in *Pashtun* society from the time immemorial. According to the Pashto Descriptive Dictionary *Jirga* is an original Pashto word, which in its common usage refers to the gathering of a few, or a large number of people. The roots of *Jirga* systems have been traced back to the Athenian democracy while some scholars argue that the *Pashtuns* are practicing *Jirga* even before the Athenian times.

2. Proceedings of Jirga system

3. The proceedings of *Jirga* are carried out in a Mosque, *Hujra* "Guest House" or under the shade of a huge tree. There is no governing officer neither hierarchal position in a *Jirga*. The *Jirga* system is conducted in two ways. In case of family or individual disputes the concerned parties themselves appeal to *Jirga* while the *Jirga* assembles on its own and take *Suo Moto* action in case of any serious threat to the tribe or under grave social problems. In the latter case the *Jirga* is organized by volunteers called "*Khadims*" who perform the role of messengers announcing the date, timings and venue in all the villages of the tribe and also provide necessary arrangements for conducting *Jirga*. *Jirga* members usually gather in form of a huge circle resembling round table conference giving the message that no one is superior in the eyes of *Pashtunwali* "legal code of *Pashtuns*".

4. There is no systemized mechanism or basic criteria for the selection of *Jirga* Judiciary Council. Mostly noble elders of the tribe called "*SpeenGirey*" (White beard men) are chosen for this purpose who have known repute for their honesty, wisdom and a firm understanding and knowledge of *Pashtunwali* and *Sharia*. However in case of grand *Jirga* the leaders of different clans are the members of *Jirga* Judiciary Council. The number of council members is not fixed and varies with the importance, sensitivity and type of dispute but mostly comprises from two to ten members. Any member of the *Jirga* council who do not practice *Pashtunwali* in his daily life is usually excluded from the *Jirga* Council.

5. The operation of *Jirga* is carried out in a democratic way. Both the parties are given time to present their case and there is no discrimination made on any basis. The *Jirga* operation in minor cases is carried out for a day or two while in major cases it may take as long as nine to ten days. During the functioning of *Jirga* maximum participation from both the parties and the members of judicial council is highly encouraged. This aids in understanding the nature of problem more effectively and providing possibilities for negotiations between the two parties. The crowd is not allowed to participate or interfere in the proceedings of *Jirga*. Decency, smoothness of the trial, and decorum of the *Jirga* is highly ensured during the whole process.

6. After hearing both the parties and in the light of witnesses the *Jirga* officially announces its decision. The decisions are based on *Sharia*, *Pashtunwali*, local traditions and fair play. Every possible effort is made to reach a fair and pragmatic solution to the problem. Wealth, Social status and political power of any party do not influence the decision of *Jirga* in any case. In case

of very sensitive matters like murder, abduction etc a Quranic oath is taken which is necessary to prove one's innocence, as religion is the highest authority in Pashtun society. The decision is based on the consensus of majority members of the *Jirga* council. The *Jirga* members ask the related parties before it announces its verdict to the public. The decision of *Jirga* becomes an obligation and both the parties have to respect the *Jirga* decision.

7. The *Jirga* system does not take the right from either party of appealing against the decision of *Jirga* council. The unsatisfied party can appeal on the basis of precedents and rules called "Narkh" and have the right to reject the decision of *Jirga* Council. The *Jirga* council may face difficulty in revising its decision in case when different tribes have different *Narkhs* on the same issue. In that case the appealing party can call for another *Jirga* gathering the decision of which is considered final.

8. The *Pashtun Jirga* exclusively enjoys the role of Judiciary, Executive and Legislature. In case if any party fails to respect the decision of *Jirga* called "*MakhArawal*" meaning "turning of face", than the *Jirga* council has the right to impose its judgment by any means. Sanctions are imposed on the rebellious party which may range from imposition of heavy fines, confiscation of weapons and ex-communication with non-complying party depending upon the seriousness of matter. If still the party refuses to follow the decision of *Jirga* than the *Jirga* has the right to burn down the house of non-complying party by sending *Lashkar* 'The tribal Army'. Also in disobeying the decision of *Jirga*, the dissident party may lose the protection right ensured by the *Jirga* and may be killed by his opponents.

9. In absence of Government Judicial system in tribal areas, *Jirga* system provides the communities with an effective way of attaining speedy justice. Moreover it enriches the very basic foundations of *Pashtun* culture and tradition by ensuring the maintenance of peace and justice in *Pashtun society*. It provides protection to the poor and weak from being oppressed by the rich and strong. Even when many progressed societies still lack an affective judicial system, the *Pashtun Jirga* system has been quite successful in dispensing justice. It adheres to the principles of equality and fairness for all, an accomplishment many judicial systems are still struggling to achieve.

Annex- H

Entitlement Matrix²⁹

Assets lost	Specification	Displaced Person	Compensation Entitlements
Agricultural land, including cultivable land and uncultivable wasteland	All land losses irrespective of impact severity	Owner	<ul style="list-style-type: none"> Cash compensation for land based on current open market value, or as negotiated with a committee comprising landowners' and tribal/village elder's <i>jirga</i> and by the FATA secretariat officials by following the principle of negotiation. <p>Permanent/traditional tenants will be paid part of the compensation, as mutually negotiated and agreed with, or as decided by the tribal elders' <i>jirga</i>, and FATA administration which may be 25%, 33% or 50% of the total assessed amount.</p> <p>Cash compensation for loss of crops at current market value of mature crops.</p>
		Sharecropper/Tenant (registered or not)	
		Lease Tenant (registered or not)	
		Encroacher/Squatter	
Residential and commercial structures		Owner of the structure, including Encroachers/Squatters	<p>Genuine owners of the lands under built-up residential/ commercial structures and similar other assets will be paid land compensation at current open market values, or negotiated with or decided by the <i>jirga</i> of tribal elders and FATA Administration office.</p> <p>The encroachers/squatters will not be eligible for land compensation; however, they will be entitled to compensation for the loss of their structures.</p> <p>Cash compensation at full replacement cost for affected structures and other fixed assets, free of salvageable materials, depreciation and transaction cost and also transportation cost; or if partial loss, full cash assistance to restore the remaining structure. Fees and taxes (if applicable) will be waived. The option of relocation and relevant support will be discussed during the focus group discussions and included in the LARPs in coordination with FATA secretariat officials.</p>
		Renter/Leaseholder	Cash compensation equivalent to three month's rent or a value proportionate to the duration of the remaining lease.
Community Assets			Rehabilitation/substitution or cash compensation at full replacement cost of the affected structures and utilities.
Businesses		All DPs so impacted	<ul style="list-style-type: none"> Cash compensation equal to income during the interruption period, as determined through the census of AP and included in the LARP.
Employment		All DPs so impacted	Indemnity for lost wages for the period required to

²⁹ Note: Provision is made for payment of cash compensation only in cases where it is demanded by affected communities and where voluntary land donation is not possible.

Assets lost	Specification	Displaced Person	Compensation Entitlements
			reestablish business as determined through the census of AP and included in the LARP.
Crops	Affected crops	Cultivator of crop	Crop compensation in cash at the full market rate for one year agricultural income (both rabbi and kharif harvests). If sharecropped or a tenant then compensated according to shares.
Trees	All affected trees	Owner	Fruit trees: compensation to reflect income replacement as assessed by forest or agriculture department based on market value of annual produce, projected for number of years Required to grow a tree of equivalent productive capacity. Timber trees: trees grown and/or used for timber then compensation is to reflect the market value of tree's wood content, based on the wood measurement survey of forest department.
Allowances for Severe Impacts	AH with >10% agricultural income loss or more to be relocated	All severely affected AHs including informal settlers	One additional crop compensation covering 1 year yield for APs affected by severe agricultural income losses and rehabilitation allowance of 6 months at minimum salary for relocated AHs.
Shifting of Water Supply Lines	All affected beneficiaries		The requisite amounts for shifting/ reinstallation of water supply lines are included in the LRAP budget. PHED will shift water supply lines at nearby place available, FATA secretariat/PMU will pay relocation cost to PHED based on cost estimates provided by PHED.
Relocation	Transport/ transition costs	All DPs to be relocated	Provision of allowances to cover transport costs and transitional costs on actual cost basis at current market rates. If physical relocation of the affected households is required and requested by the displaced persons, appropriate relocation sites will be developed. The need for support during the transitional period will be assessed through the census of AP and included in the LARP.
Vulnerable DP livelihood support		Poor and female headed households and other vulnerable households, including the elderly or other groups as identified through the census of AP.	Cash allowance equivalent to at least 6 months of minimum wages of PKRs 7000/- per month as fixed by the GOP. (In accordance with figures released by the Province) using the poverty line index or as determined through the social impact assessment surveys.
Temporary impacts		All AHs	Due rent and rehabilitation for temporarily affected assets will be provided.
Unidentified Losses	Unanticipated impacts	All DPs	Dealt with as appropriate during sub-project implementation according to the ADB policy.

Annex- I

INVOLUNTARY RESETTLEMENT PRINCIPLES AND OBJECTIVES
ADB'S SAFEGUARD POLICY STATEMENT (ADB SPS 2009)

Objectives: To avoid involuntary resettlement wherever possible; to minimize involuntary resettlement by exploring project and design alternatives; to enhance, or at least restore, the livelihoods of all displaced persons in real terms relative to pre-project levels; and to improve the standards of living of the displaced poor and other vulnerable groups.
Scope and Triggers: The involuntary resettlement safeguards covers physical displacement (relocation, loss of residential land, or loss of shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas.

Policy Principles:

Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks. Determine the scope of resettlement planning through a survey and/or census of displaced persons, including a gender analysis, specifically related to resettlement impacts and risks.

Carry out meaningful consultations with displaced persons, host communities, and concerned non-government organizations. Inform all displaced persons of their entitlements and resettlement options. Ensure their participation in planning, implementation, and monitoring and evaluation of resettlement programs. Pay particular attention to the needs of vulnerable groups, especially those below the poverty line. These include the landless, the elderly, women and children. Specific safeguards cover Indigenous People, including those without statutory title to land, including those having communal rights, and ensure their participation in consultations. Establish a grievance redress mechanism to receive and facilitate resolution of the displaced persons' concerns. Support the social and cultural institutions of displaced persons and their host population. Where involuntary resettlement impacts and risks are highly complex and sensitive, compensation and resettlement decisions should be preceded by a social preparation phase. Improve, or at least restore, the livelihoods of all displaced persons through (i) land-based resettlement strategies when affected livelihoods are land based and where it is possible to give cash compensation at replacement value for land when the loss of land does not undermine livelihoods, (ii) prompt replacement of assets with access to assets of equal or higher value, (iii) prompt compensation at full replacement cost for assets that cannot be restored, and (iv) additional revenues and services through benefit sharing schemes where these are possible.

Provide physically and economically displaced persons with needed assistance, including the following: (i) if there is relocation, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities, and extension of project benefits to host communities; (ii) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (iii) civic infrastructure and community services, as required.

Improve the standards of living of the displaced poor and other vulnerable groups, including women, to at least national minimum standards. In rural areas provide them with legal and affordable access to land and resources, and in urban areas provide them with appropriate income sources and legal and affordable access to adequate housing.

Develop procedures in a transparent, consistent, and equitable manner if land acquisition is through negotiated settlement to ensure that those people who enter into negotiated settlements will maintain the same or better income and livelihood status.

Ensure that displaced persons without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets.

Prepare a resettlement plan elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.

Disclose a draft resettlement plan, including documentation of the consultation process in a timely manner, before project appraisal, in an accessible place and a form and language(s) understandable to displaced persons and other stakeholders. Disclose the resettlement plan and its updates to displaced persons.

Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project's costs and benefits. For a project with significant involuntary resettlement impacts, consider implementing the involuntary resettlement component of the project as a stand-alone operation.

Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout project implementation.

Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions and the results of the resettlement monitoring. Disclose monitoring reports.

Annex- J

Involuntary Resettlement Impact Categorization

A. Instructions:

The project team completes and submits the form to the Environment and Safeguards Division for endorsement by ADB.

The classification of a project is a continuing process. If there is a change in the project components or/and site that may result in category change, the Director submits a new form and requests for re-categorization. and endorsement by ADB. The old form should be attached for reference.

In addition, the project team may propose in the comments section that the project is high) complex and sensitive (HCS), for approval by the ADB. HCS projects are a subset of category A projects that ADB deems to be highly risky or contentious or involve serious and multidimensional and generally interrelated potential social and/or environmental impacts.

B. Project Data:

New Project: _____ Retroactive Financing: _____

Project Title/No: -----

Department: -----

Processing Stage: -----

Modality:

Project Loan: _____ Program Loan: _____ Financial Intermediary: _____ Sector Loan: _____ MFF: _____

Emergency Assistance: _____ Grant: _____ General Corporate Finance: _____ Other Financing Mod: _____

C. Involuntary Resettlement Category:

Category A: _____ Category B: _____ Category C: _____ Category FI: _____

Project Team Comments: -----

Approval:

Proposed by : _____ Reviewed by: _____

Date: _____ Date: _____

Project Director/PMU

Social safeguards Specialist (ADB)

Approved by ADB

Highly Complex and sensitive Project: Yes ___ No ___

Date _____

INVOLUNTARY RESETTLEMENT IMPACT SCREENING/CATEGORIZATION CHECKLIST

Probable Involuntary Resettlement Effects	Yes	No	Not Applicable (NA)	Remarks
Involuntary Acquisition of Land				
1. Will there be land acquisition (LA)?				
2. Will the alternatives options considered to avoid the LA.				
2. Is the site for land acquisition known?				
3. Is the ownership status and current usage of land to be acquired known?				
4. Will easement be utilized within an existing Right of Way (ROW)?				
5. Will there be loss of shelter and residential land due to land acquisition?				
6. Will there be loss of agriculture and other productive assets due to LA?				
7. Will there be losses of crops, trees, and fixed assets due to LA?				
8. Will there be loss of businesses or enterprises due to LA?				
9. Will there be loss of income sources and means of livelihoods due to LA?				
10. Are there any non-titled people who live or earn their livelihood within the subproject ROW?				
Involuntary restrictions on land use or on access to legally designated parks and protected areas				
Will people lose access to facilities, services, or natural resources?				
11. If land use is changed, will it have an adverse impact on social and economic activities?				
12. Will access to land and resources owned communally or by the state be restricted?				
Information on Displaced Persons:				
Any estimate of the likely number of persons that will be displaced by the Project? If yes, approximately how many? _____			[] No [] Yes	
Are any of them poor, female-heads of households, or vulnerable to poverty risks?			[] No [] Yes	
Are any displaced persons from indigenous or ethnic minority groups?			[] No [] Yes	

Annex- K

Land Acquisition for Public Purposes

1. Most laws of Pakistan are not applicable in FATA, which is governed under the Frontier Crime Regulation (FCR). Similarly, the Land Acquisition Act, 1894, which applies to all the settled districts of the four provinces, is not applicable to FATA region, and thus, in the Project area, comprising the Bajaur, Mohmand and Khyber Agencies. Local needs for land are addressed by tribal system of land rights and distribution. Normally, for the government aided development interventions, relatively small and insignificant pieces or strips of lands are taken for free, as the community contribution.

2. However, there have been found exceptions to this general practice, especially for a considerably large size or a productive and economically significant piece of land being utilized for a public purpose or a development intervention. Recently, there have been increasing incidences of land compensation, in at least, last three decades, mainly in response to the pressing demands of the affected people (APs). Currently, three modes of land compensation are practiced in a relatively flexible manner. They are:

- a. Tribal Commission;
- b. Compensatory Employment; and,
- c. Land Compensation (in cash)

a. Tribal Commission

3. Tribal Commission is usually paid to the concerned communities for acquiring a right-of-way (ROW) for constructing a new road in the FATA region. But usually little payments are made for the upgradation, improvement and widening of the existing roads, pathways and village-streets. However, if there comes a resistance on the part of some relatively vocal and politically stronger affected persons, they may be given a negotiated amount of money by the PA or the Contractor to smoothly proceed with the construction work ahead.

4. Traditionally, a one-sixteenth part (6.25%) of the total road construction cost is allocated as the tribal commission for the affected area. In fact, the tribal commission is not just a cash compensation for the affected land, rather it also ensures security of the road, traffic and the commuters. In other words, it is a goodwill payment to the concerned tribal communities, especially the Malaks³⁰, for acquiring the right-of-way, utilization land and local material and security of the subproject. In practice, the total amount of money allocated as the tribal commission is handed over by the concerned department to the Political Agent (PA). In the Proposed FATA water resources development project, tribal commission is not applicable.

b. Compensatory Employment

5. The next common practice to compensate the affected persons for the land acquired for a public purpose in the FATA region is to provide low-grade (Class IV) employment to them or their nominees. Such nominations for the jobs are usually made by the *Malaks* through community/sub-clan *jirgas* or the *Khans* for their tenants, and recommended to the PA and/or

³⁰Malaks are the government's appointed tribal community leaders who act as intermediaries in political matters and catalysts for planning and implementing development schemes in their respective communities.

the concerned line department, who then make the final selection and issue employment orders. Oftentimes, the number of the recommended persons or the nominees far exceeds the available job openings.

6. The compensatory jobs are normally offered only to the directly affected persons, landowners or their permanent tenants. The lands acquired for the community service buildings, like, dispensaries, schools, etc., are mostly small in size but highly in value because such public facilities are usually constructed close to the villages and on the agricultural lands. Consequently, fewer people are affected but severely, and thus, two to three regular low-grade jobs are provided to them to compensate for the loss of their incomes. Providing jobs for the affected persons in such cases is relatively simple, as there is usually not much competition.

7. On the contrary, the roads and irrigation channels affect larger sizes of lands, which are mostly constructed on the least productive barren lands causing minimal impact on the shareholders or sole-owners of the lands affected. The concerned people are provided jobs as low-grade maintenance crew, which is a considerable benefit for the poor against an insignificant or nominal loss of mostly commonly owned barren land. Often times, there are a few job-openings for which a large number of persons come forth in competition, most of whom carrying strong recommendations from the *Malaks* or *Khans*. Consequently, the selection process gets prolonged and the decisions difficult, and thus, a compromise is sought.

c. Land Compensation

8. Recently, there has a move on the part of the government towards paying cash compensations for the private lands affected by various development interventions in the FATA region, specially the relatively large infrastructure projects/schemes. These include the construction of small dams and ponds for storing rainwater for irrigation and drinking purposes, and sports stadiums, hospitals and colleges.

Environment Assessment and Review Framework (EARF)

November 2014

**PAK: Federally Administered Tribal Areas Water
Resources Development Project (FWRDP)**

Abbreviations

ADB	Asian Development Bank
EA	Executing Agency
EARF	Environmental Assessment and Review Framework
EMP	Environmental management plan
EIA	Environmental Impact Assessment
EMU	Environment Management Unit
FATA	Federally Administered Tribal Areas
FWRDP	FATA Water Resources Development Project
GOP	Government of Pakistan
GRM	Grievance Redress Mechanism
GRC	Grievance Redress Committee
GFP	Grievance Focal Point
IA	Implementing Agency
KP	Khyber Pakhtunkhawa
IEE	Initial Environmental Examination
PD	Project Director's
PIU	Project Implementation Unit
PMU	Project Management Unit
REA	Rapid Environmental Assessment
REA	Rapid Environmental Assessment
TA	Technical Assistant
ToP	Terms of Partnership

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I. INTRODUCTION

1. This Environmental Assessment and Review Framework (EARF) has been prepared for the Federally Administered Tribal Areas (FATA) Water Resources Development Project (FWRDP) in Pakistan. The project will be operational in the federal territories at the western borders of Pakistan with Afghanistan. It focuses on increasing irrigation supplies in three tribal agencies, namely Mohmand, Khyber and Bajaur, to increase crop production and harvest water sustainably.

2. In order to adequately screen, assess, review, and monitor the environmental impacts of subprojects under the proposed project, a summarized Environmental Assessment and Review Framework is presented below. It includes assessment of legal framework and institutional capacity, anticipated environmental impacts, environmental assessment for subprojects and components, consultation, information disclosure, and grievance redress, institutional responsibilities of various agencies, and monitoring and reporting.

A. ASSESSMENT OF LEGAL FRAMEWORK AND INSTITUTIONAL CAPACITY

3. All subprojects selected will be screened, classified, and assessed based on ADB's Safeguard Policy Statement (2009), and Pakistan's legislation on environment protection.

1. Asian Development Bank (ADB)

4. FWRDP has been classified as ADB Environmental Category B. Category B projects require initial environmental examination (IEE), including public consultation and an environmental management plan (EMP). The IEE determines whether or not there are potential significant environmental impacts warranting an EIA. If there are none, the IEE becomes the final environmental assessment report.

2. Pakistan Environmental Protection Act (PEPA), 1997, Government of Pakistan

5. GOP enacted PEPA in 1997, and it covers entire Pakistan, including all its territories. Schedules I & II of the Act describe the criteria for various types of projects so as to qualify them for an IEE or an Environmental Impact Assessment (EIA). Table 1 describes the criteria, reproduced from the Act, for classifying projects, requiring an IEE. All IEEs are to be submitted to the Pakistan Environment Protection Agency (Pak EPA) for vetting and a no-objection letter to initiate civil works and construction phase.

Table 1 Environmental Classification of KWIP in accordance to PEPA 1997

Criteria for conducting an IEE by PEPA 1997, Schedule I	IEE Required
Dams and reservoirs with storage volume less than 50 million cubic meters or surface area less than 8 square kilometers	Yes
Irrigation and drainage projects serving less than 15,000 hectares	Yes

II. ANTICIPATED ENVIRONMENTAL IMPACTS

A. Description of the Project

1. The project is being proposed as a recommendation of the Water Assessment Study executed under the completed ADB supported FATA Rural Development Project of FATA Secretariat³¹. The study identified 44 watersheds where the groundwater aquifers are depleting at a high rate, even under average weather conditions due to unplanned water extraction for irrigation and other associated purposes. It recommends shifting from groundwater to surface water, which remains totally unutilized, and identified potential sites for small reservoirs and diversion weirs in the 44 watersheds of Mohmand, Khyber and Bajaur Agencies of FATA.

2. The cost of FWRDP was tentatively estimated at \$40 million (as per ADB Concept Note for the S-PPTA) with ADB financing of \$30 million under a sector loan. The project will:

- (i) Construct small reservoirs, diversion weirs and conveyance channels
- (ii) Develop command area, and
- (iii) Improve watershed management.

B. Anticipated Environmental Impacts

3. It is anticipated that the Project will have environmental impacts characteristic of construction of typical irrigation projects (such as dams, reservoirs, diversion weirs, etc.) in rural areas. Besides, site-specific impacts related to existence of environmentally sensitive areas and/or archeological/historical sites can occur. The potential environmental impacts include:

- *Physical Environment.* Potential impacts to area topography are likely to occur in the construction stage due to the possibilities of excavation, land leveling, blasting, borrow pits, and quarries. Earth-moving operations can cause soil erosion. Potential air quality impacts of the sub-projects during the construction phase can be anticipated due to fugitive dust generation in and around construction activities and related activities such as plants for crushing rocks, hot-mix and concrete mixer plants. Large water extraction volumes for construction purposes and camps can affect the availability of water for domestic or agricultural use. Fuel and lubricants used for transportation of material can contaminate groundwater and surface water if they are not properly stored and disposed. Potential impacts are also related to wastewater from construction camps. Noise and vibration impacts, generated by construction activities can affect noise-sensitive receptors such as hospitals, schools in settlements and wildlife in specially protected areas;
- *Biological Resources.* Potential impacts related to biological resources include a risk of habitat fragmentation and loss, disruption of hydrology of streams, leaching of soils, soil pollution due to increased use of pesticides and fertilizers, improved accessibility and increase in poaching, physical disturbance of wildlife, removal of trees, road accidents involving wildlife etc. The alignments under sub-projects can run through existing or proposed protected areas;

³¹ Water Assessment Study & Management Plan, Bajaur, Khyber and Mohmand, 2010, published by ADB and FATA Secretariat, produced under the ADB FATA Rural Development Project (FRDP)

4. **Socio-Economic Environment.** Potential impacts to the social environment can include both adverse impacts such as loss of agricultural incomes downstream due to disrupted hydrology, unequal distribution of water in the command area, increased isolation of marginalized communities (elderly, women and children), resettlement, transmission of diseases and overall social unrest due to employing alien labor force, and positive impacts on income and unemployment trends. Potential impacts on archaeological, historical and cultural assets located within the project area can occur due to construction activities.

III. ENVIRONMENTAL ASSESSMENT FOR SUBPROJECTS

1. Following general criteria will be followed for all types of subprojects:

- (i) Types of projects listed in ADB SPS's Appendix 5 (ADB Prohibited Investment Activities List) will not qualify for ADB's financing.
- (ii) Subprojects that can have considerable adverse impacts to the environment or located in environmentally sensitive areas are subject to mandatory environmental assessment as detailed below.
 - All subprojects will be subject to environmental assessment process (Initial Environmental Examination (IEE) or Environmental Impact Assessment (EIA)). Environmental assessment is a generic term used to describe a process of environmental analysis and planning to address the environmental impacts and risks associated with a project. Depending on the significance of project impacts and risks, the assessment may comprise a full-scale environmental impact assessment (EIA) for category A projects, an initial environmental examination (IEE) or equivalent process for category B projects, or a desk review.

A. Environmental Screening and Classification

2. All subprojects to be included in the project will be screened to determine its environmental category based on the ADB's Rapid Environmental Assessment (REA) Checklist for Irrigation Projects. A template of the REA is given in Appendix 1. Once the project has been classified as category A or B, requisite environment assessment will need to be carried out. In case of FWRDP, it is most likely that most subprojects will be classified as category B. In that case, an IEE will be mandatorily conducted, and established that a further detailed assessment in the shape of EIA is required or not.

B. Environmental Assessments and Environmental Management Plans

3. At the design stage of each sub-project, Project Directorate will identify potential direct, indirect, cumulative and induced environmental impacts on and risks to physical, biological, socioeconomic, and physical cultural resources and determine their significance and scope, in consultation with stakeholders, including affected people and concerned NGOs. This process will be undertaken as a part of an IEE exercise. For sub-projects with potentially significant adverse impacts that are diverse, irreversible, or unprecedented, the Secretariat will examine alternatives to the project's location, design, technology, and components that would avoid, and, if avoidance is not possible, minimize adverse environmental impacts and risks. The rationale for selecting the particular sub-project location, design, technology, and components will be properly documented, including, cost-benefit analysis, taking environmental costs and benefits

of the various alternatives considered into account. The "no action" alternative will be also considered.

4. Impacts and risks will be analyzed in the context of each subproject's area that encompasses:

- (i) the primary subproject site location, in the context of local ecology and associated biodiversity;
- (ii) areas and communities potentially affected by cumulative impacts of the subproject, and other sources of similar impacts in the geographical area; and
- (iii) areas and communities potentially affected by impacts from unplanned but predictable developments caused by the sub-project that may occur later or at a different location.

5. Environmental impacts and risks will also be analyzed for all relevant stages of the project cycle, including preconstruction, construction, operations, decommissioning, and post-construction activities such as rehabilitation or restoration.

6. For each subproject, an Environmental Management Plan (EMP) will be prepared that addresses the potential impacts and risks identified by the environmental assessment. The EMP will include the proposed mitigation measures, environmental monitoring and reporting requirements, emergency response procedures, related institutional or organizational arrangements, capacity development and training measures, implementation schedule, cost estimates, and performance indicators. The structure and composition of the EMP is provided in Appendix 2.

7. Objectives of an EMP will typically be as follows:

- (i) Inform the project team as well as the contractors of the potential impacts, the mitigation measures and the costs involved in implementing the Plan
- (ii) Provide guidance on institutional and management structures required to implement the Plan
- (iii) Provide compliance requirements, monitoring parameters and frequency of monitoring
- (iv) Propose a capacity enhancement plan on areas related to environment and social management
- (v) Enable the Environment and Social Management Team of the project, to ensure and oversee compliance

IV. CONSULTATION, INFORMATION DISCLOSURE AND GRIEVANCE REDRESS MECHANISM

1. FATA has a unique governance status, whereby all land is owned by tribes inhabiting the areas since generations. Any physical activity hence carried out needs the agreement of the locals, as well as land donation by them. Since it is an egalitarian society, chances of elite capture are minimum and major decisions are taken by *Jirga*, the tribal administrative and management body.

A. Consultations and Information Disclosure

2. For all subprojects, consultations will take place between Project Secretariat and local tribes, facilitated by the Political Administration of the said Agency. Detailed Terms of Partnership (ToP) will be developed, signifying the roles and responsibilities of all stakeholders and will be signed by the communities. A consultation exercise will be conducted at the design stage, with the following objectives:

- (vi) To identify the direct and indirect beneficiaries of the subproject
- (vii) Inform the communities of the costs of the subproject and verify the need for the subproject
- (viii) Inform the stakeholders of its impacts based on the REA Checklist classification and assessment
- (ix) Seek the consent of the communities and sign the ToP
- (x) Inform the communities of the Grievance Redress Mechanism (GRM) and facilitate community nominations

3. A second round of consultations will take place prior to the initiation of construction, with the following objectives:

- (v) To inform the stakeholders, including beneficiary communities, of the scope of work, construction schedule, and likely effects the construction activity will have on their routines
- (vi) Dissemination of EMP, and anticipated environmental impacts of the project, with the suggested mitigation measures
- (vii) Information about Grievance Redress Mechanism, and access of communities to it
- (viii) Overall benefits of the project

B. Grievance Redress Mechanism

4. Keeping in mind the unique status of FATA, as well as the low literacy and technological development in the area, a simple but effective Grievance Redress Mechanism (GRM) will have to be designed by the Project Team. It will consist of multiple layers of contact points, from Sub Agency to FATA Secretariat level, with telephone (both stationary and mobile) being the main source of communications, followed by mail. The Political Administration will have to designate a focal point for GRM, so as to facilitate the tribal communities in contacting the Secretariat in Peshawar.

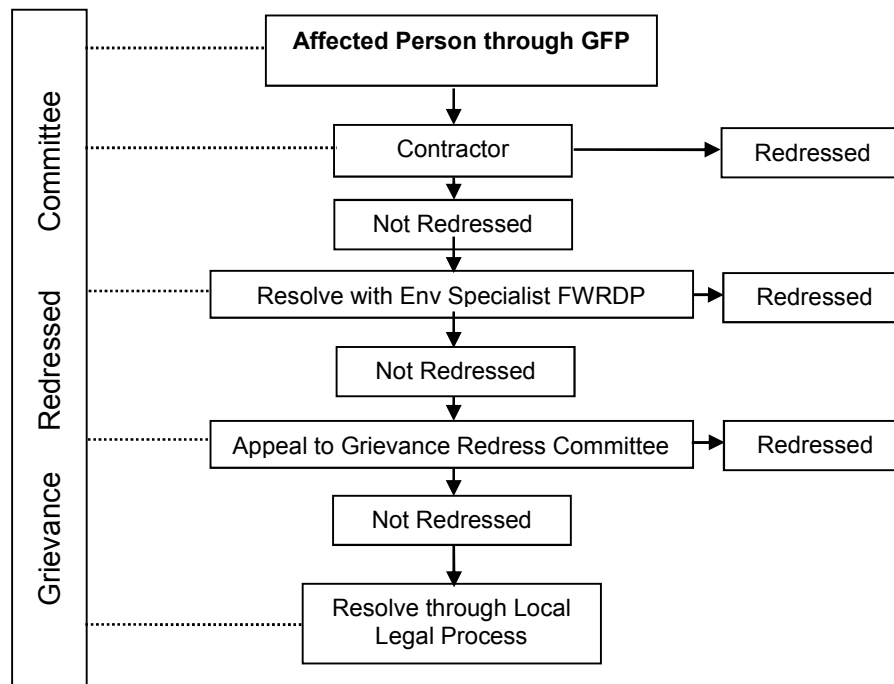
5. A typical Grievance Redress Mechanism, to be established by the subproject, is described below:

- (i) FATA Secretariat/Project Director will facilitate the establishment of a Grievance Redress Committee (GRC) and Grievance Focal Point (GFP) at the project location prior to the Contractor's mobilization to site. The functions of the GRC and GFPs are to address concerns and grievances of the local communities and affected parties as necessary.
- (ii) The GRC will comprise representatives from local political authorities (designate focal point by PA), affected parties and other well-reputed persons from related sectors, as mutually agreed with the Political Agent and affected persons. It will

also comprise of Contractor's Environmental Specialist, FWRDP's Environment Specialist and Social Development/Safeguards Specialist. The role of the GRC is to address the Project related grievances of the affected parties that are unable to be resolved satisfactorily through the initial stages of the Grievance Redress Mechanism (GRM). The project will also assist affected communities/villages identify local representatives to act as Grievance Focal Points (GFP) for each community/village.

- (iii) GFPs will ideally be designated personnel from within the community who will be responsible for i) acting as community representatives in formal meetings between the project team (including the contractors) and the local community he/she represents, and ii) communicating community members' grievances and concerns to the contractor during project implementation. The number of GFPs to be identified for the project will depend on the number and distribution of affected communities.
- (iv) A pre-mobilization public consultation meeting will be convened by the FATA Secretariat for KWIP, and will be attended by GFPs, contractor, Political Agents' representative and other interested parties (eg. Irrigation Dept, NGOs etc). Following the pre-mobilization public consultation meeting, environmental complaints associated with the construction activity will be routinely handled through the GRM as explained below:
 - a. Individuals will lodge their environmental complaint/grievance with their respective community's nominated GFP.
 - b. The GFP will bring the individual's complaint to the attention of the Contractor.
 - c. The Contractor will record the complaint in the onsite Environmental Complaints Register (ECR) in the presence of the GFP.
 - d. The GFP will discuss the complaint with the Contractor and have it resolved;
 - e. If the Contractor does not resolve the complaint within one week, then the GFP will bring the complaint to the attention of the FWRDP's Environmental Specialist. The Environment Specialist will then be responsible for coordinating with the Contractor in solving the issue.
 - f. If the Complaint is not resolved within 2 weeks the GFP will present the complaint to the Grievance Redress Committee (GRC).
 - g. The GRC will have to resolve the complaint within a period of 2 weeks and the resolved complaint will have to be communicated back to the community. The Contractor will then record the complaint as resolved and closed in the Environmental Complaints Register.
 - h. In parallel to the ECR placed with the Contractor, each GFP will maintain a record of the complaints received and will follow up on their rapid resolution.
 - i. If the grievance is not resolved through this process, the issue will be taken to the local legal structures (Jirga, PA Office)

Proposed Grievance Redress Mechanism



V. INSTITUTIONAL ARRANGEMENTS AND RESPONSIBILITIES

A. Environment Management Unit (EMU)

1. For effective compliance of an EMP, roles and responsibilities will be defined at the onset, with relevant professionals hired as project team members at the executing or implementing agency (E/IA) levels. Moreover, these professionals will be placed in the project hierarchy in such a way whereby they cannot be influenced by the operational teams (engineers, procurement, contractors, etc.) in order to lessen their compliance monitoring responsibilities.

2. An EMU will be set up within the Project Director's (PD) Office at the E/IA level, with direct reporting line to the PD. An Environment Specialist and a Social Development Specialist will need to be a part of the EMU so as to ensure compliance to both parts of the EMP.

3. The responsibilities of EMU will be the following, but not limited to:

- (i) Ensure effective compliance of EMP as per ADB Safeguards Policy requirements
- (ii) Provide technical assistance to the Project Team, in matters related to EMP in particular, and to environmental and social safeguards as a whole
- (iii) Put in place reporting mechanism and monitoring regimes for project staff as well as contractors
- (iv) Ensure that EMP related clauses specifically, and environment related clauses in general, are part of all the tender/bid/RFP documents.
- (v) Provide technical input to the various training programs proposed as a part of the EMP

- (vi) Ensuring that all regulatory clearances (for example, Pak EPA) have been obtained before starting civil works for the subproject.
- (vii) Conduct on site spot checks to check the compliance level, as well as for any outstanding issue not being covered by the EMP
- (viii) Regularly report to PD as well as ADB on progress related to EMP Compliance.

VI. MONITORING AND REPORTING

1. The extent of monitoring activities, including their scope and periodicity, will be commensurate with the project's risks and impacts. FATA Secretariat will be required to implement safeguard measures and relevant safeguard plans, as provided in the legal agreements, and to submit periodic monitoring reports on their implementation performance. ADB will require Secretariat to:

- (i) establish and maintain procedures to monitor the progress of implementation of EMPs;
- (ii) verify the compliance with environmental measures and their progress toward intended outcomes;
- (iii) document and disclose monitoring results and identify necessary corrective and preventive actions in the bi-annual environmental monitoring reports;
- (iv) follow up on these actions to ensure progress toward the desired outcomes,
- (v) submit to ADB bi-annual environmental monitoring reports on implementation of the EMP and the environmental covenants in the legal agreements.

APPENDICES

RAPID ENVIRONMENTAL ASSESSMENT (REA) CHECKLIST

Instructions:

- (i) The project team completes this checklist to support the environmental classification of a project. It is to be attached to the environmental categorization form and submitted to the Environment and Safeguards Division (RSES) for endorsement by the Director, RSES and for approval by the Chief Compliance Officer.
- (ii) This checklist focuses on environmental issues and concerns. To ensure that social dimensions are adequately considered, refer also to ADB's (a) checklists on involuntary resettlement and Indigenous Peoples; (b) poverty reduction handbook; (c) staff guide to consultation and participation; and (d) gender checklists.
- (iii) Answer the questions assuming the "without mitigation" case. The purpose is to identify potential impacts. Use the "remarks" section to discuss any anticipated mitigation measures.

Country/Project Title: Sector Division:

Screening Questions	Yes	No	Remarks
A. Project Siting Is the Project area adjacent to or within any of the following environmentally sensitive areas?			
▪ Protected Area			
▪ Wetland			
▪ Mangrove			
▪ Estuarine			
▪ Buffer zone of protected area			
▪ Special area for protecting biodiversity			
B. Potential Environmental Impacts Will the Project cause...			
▪ loss of precious ecological values (e.g. result of encroachment into forests/swamplands or historical/cultural buildings/areas, disruption of hydrology of natural waterways, regional flooding, and drainage hazards)?			
▪ conflicts in water supply rights and related social conflicts?			
▪ impediments to movements of people and animals?			

Screening Questions	Yes	No	Remarks
▪ potential ecological problems due to increased soil erosion and siltation, leading to decreased stream capacity?			
▪ Insufficient drainage leading to salinity intrusion?			
▪ over pumping of groundwater, leading to salinization and ground subsidence?			
▪ impairment of downstream water quality and therefore, impairment of downstream beneficial uses of water?			
▪ dislocation or involuntary resettlement of people?			
▪ disproportionate impacts on the poor, women and children, Indigenous Peoples or other vulnerable groups?			
▪ potential social conflicts arising from land tenure and land use issues?			
▪ soil erosion before compaction and lining of canals?			
▪ noise from construction equipment?			
▪ dust during construction?			
▪ waterlogging and soil salinization due to inadequate drainage and farm management?			
▪ leaching of soil nutrients and changes in soil characteristics due to excessive application of irrigation water?			
▪ reduction of downstream water supply during peak seasons?			
▪ soil pollution, polluted farm runoff and groundwater, and public health risks due to excessive application of fertilizers and pesticides?			
▪ soil erosion (furrow, surface)?			
▪ scouring of canals?			
▪ clogging of canals by sediments?			
▪ clogging of canals by weeds?			
▪ seawater intrusion into downstream freshwater systems?			
▪ introduction of increase in incidence of waterborne or water related diseases?			
▪ dangers to a safe and healthy working environment due to physical, chemical and biological hazards during project construction and operation?			

Screening Questions	Yes	No	Remarks
<ul style="list-style-type: none"> ▪ large population influx during project construction and operation that causes increased burden on social infrastructure and services (such as water supply and sanitation systems)? 			
<ul style="list-style-type: none"> ▪ social conflicts if workers from other regions or countries are hired? 			
<ul style="list-style-type: none"> ▪ risks to community health and safety due to the transport, storage, and use and/or disposal of materials such as explosives, fuel and other chemicals during construction and operation? 			
<ul style="list-style-type: none"> ▪ community safety risks due to both accidental and natural hazards, especially where the structural elements or components of the project (e.g., irrigation dams) are accessible to members of the affected community or where their failure could result in injury to the community throughout project construction, operation and decommissioning? 			

A Checklist for Preliminary Climate Risk Screening

Country/Project Title:

Sector :

Subsector:

Division/Department:

Screening Questions		Score	Remarks ³²
Location and Design of project	Is siting and/or routing of the project (or its components) likely to be affected by climate conditions including extreme weather related events such as floods, droughts, storms, landslides?		
	Would the project design (e.g. the clearance for bridges) need to consider any hydro-meteorological parameters (e.g., sea-level, peak river flow, reliable water level, peak wind speed etc)?		
Materials and Maintenance	Would weather, current and likely future climate conditions (e.g. prevailing humidity level, temperature contrast between hot summer days and cold winter days, exposure to wind and humidity hydro-meteorological parameters likely affect the selection of project inputs over the life of project outputs (e.g. construction material)?		
	Would weather, current and likely future climate conditions, and related extreme events likely affect the maintenance (scheduling and cost) of project output(s) ?		
Performance of project outputs	Would weather/climate conditions, and related extreme events likely affect the performance (e.g. annual power production) of project output(s) (e.g. hydro-power generation facilities) throughout their design life time?		

Options for answers and corresponding score are provided below:

Response	Score
Not Likely	0
Likely	1
Very Likely	2

Responses when added that provide a score of 0 will be considered low risk project. If adding all responses will result to a score of 1-4 and that no score of 2 was given to any single response, the project will be assigned a medium risk category. A total score of 5 or more (which include providing a score of 1 in all responses) or a 2 in any single response, will be categorized as high risk project.

Result of Initial Screening (Low, Medium, High): _____

Other Comments: _____

Prepared by: _____

³² If possible, provide details on the sensitivity of project components to climate conditions, such as how climate parameters are considered in design standards for infrastructure components, how changes in key climate parameters and sea level might affect the siting/routing of project, the selection of construction material and/or scheduling, performances and/or the maintenance cost/scheduling of project outputs.

Appendix 2 Outline of an Environmental Assessment Report

This outline is part of the Safeguard Requirements 1. An environmental assessment report is required for all environment category A and B projects. Its level of detail and comprehensiveness is commensurate with the significance of potential environmental impacts and risks. A typical EIA report contains the following major elements, and an IEE may have a narrower scope depending on the nature of the project. The substantive aspects of this outline will guide the preparation of environmental impact assessment reports, although not necessarily in the order shown.

A. Executive Summary

This section describes concisely the critical facts, significant findings, and recommended actions.

B. Policy, Legal, and Administrative Framework

This section discusses the national and local legal and institutional framework within which the environmental assessment is carried out. It also identifies project-relevant international environmental agreements to which the country is a party.

C. Description of the Project

This section describes the proposed project; its major components; and its geographic, ecological, social, and temporal context, including any associated facility required by and for the project (for example, access roads, power plants, water supply, quarries and borrow pits, and spoil disposal). It normally includes drawings and maps showing the project's layout and components, the project site, and the project's area of influence.

D. Description of the Environment (Baseline Data)

This section describes relevant physical, biological, and socioeconomic conditions within the study area. It also looks at current and proposed development activities within the project's area of influence, including those not directly connected to the project. It indicates the accuracy, reliability, and sources of the data.

E. Anticipated Environmental Impacts and Mitigation Measures

This section predicts and assesses the project's likely positive and negative direct and indirect impacts to physical, biological, socioeconomic (including occupational health and safety, community health and safety, vulnerable groups and gender issues, and impacts on livelihoods through environmental media), and physical cultural resources in the project's area of influence, in quantitative terms to the extent possible; identifies mitigation measures and any residual negative impacts that cannot be mitigated; explores opportunities for enhancement; identifies and estimates the extent and quality of available data, key data gaps, and uncertainties associated with predictions and specifies topics that do not require further attention; and examines global, transboundary, and cumulative impacts as appropriate.

F. Analysis of Alternatives

This section examines alternatives to the proposed project site, technology, design, and operation - including the no project alternative - in terms of their potential environmental impacts; the feasibility of mitigating these impacts; their capital and recurrent costs; their suitability under local conditions; and their institutional, training, and monitoring requirements. It also states the basis for selecting the particular project design proposed and, justifies recommended emission levels and approaches to pollution prevention and abatement.

G. Information Disclosure, Consultation, and Participation

This section:

- (i) describes the process undertaken during project design and preparation for engaging stakeholders, including information disclosure and consultation with affected people and other stakeholders;
- (ii) summarizes comments and concerns received from affected people and other stakeholders and how these comments have been addressed in project design and mitigation measures, with special attention paid to the needs and concerns of vulnerable groups, including women, the poor, and Indigenous Peoples; and
- (iii) describes the planned information disclosure measures (including the type of information to be disseminated and the method of dissemination) and the process for carrying out consultation with affected people and facilitating their participation during project implementation.

H. Grievance Redress Mechanism

This section describes the grievance redress framework (both informal and formal channels), setting out the time frame and mechanisms for resolving complaints about environmental performance.

I. Environmental Management Plan

This section deals with the set of mitigation and management measures to be taken during project implementation to avoid, reduce, mitigate, or compensate for adverse environmental impacts (in that order of priority). It may include multiple management plans and actions. It includes the following key components (with the level of detail commensurate with the project's impacts and risks):

(i) Mitigation:

- (a) identifies and summarizes anticipated significant adverse environmental impacts and risks;
- (b) describes each mitigation measure with technical details, including the type of impact to which it relates and the conditions under which it is required (for instance, continuously or in the event of contingencies), together with designs, equipment descriptions, and operating procedures, as appropriate; and
- (c) provides links to any other mitigation plans (for example, for involuntary resettlement, Indigenous Peoples, or emergency response) required for the project.

(ii) Monitoring:

- (a) describes monitoring measures with technical details, including parameters to be measured, methods to be used, sampling locations, frequency of measurements, detection limits and definition of thresholds that will signal the need for corrective actions; and
- (b) describes monitoring and reporting procedures to ensure early detection of conditions that necessitate particular mitigation measures and document the progress and results of mitigation.

(iii) Implementation arrangements:

- (a) specifies the implementation schedule showing phasing and coordination with overall project implementation;
- (b) describes institutional or organizational arrangements, namely, who is responsible for carrying out the mitigation and monitoring measures, which may include one or more of the following additional topics to strengthen environmental management capability: technical assistance programs, training programs, procurement of equipment and supplies related to environmental management and monitoring, and organizational changes; and
- (c) estimates capital and recurrent costs and describes sources of funds for implementing the environmental management plan.

(iv) Performance indicators:

- (a) describes the desired outcomes as measurable events to the extent possible, such as performance indicators, targets, or acceptance criteria that can be tracked over defined time periods.

J. Conclusion and Recommendation

This section provides the conclusions drawn from the assessment and provides recommendations.

Sample Environmental Management Plan

Environmental Concerns	Mitigation Measures	Implementation	Supervision
IEE Approval	- Submit IEE to Fed EPA for approval and NOC for initiating construction	- Environment Specialist	Project Director
Excavation and blasting	- Contractor to be responsible as per contract document to minimize cutting of trees, use safety measures in handling explosives, prepare blasting schedules along with warning sirens, and ensure minimum damage to the landscape.	- Contractor	- Constructor Engineer
Construction waste	- The contractor will find a suitable landfill site alongside the stream for burying construction waste. No solid waste will be disposed into the stream.	- Contractor	- Construction Engineer - Environment Specialist
Labor camps and material storage	Contractor will - Locate the labor camps and stores, at 1 KM from the site at a secure location. - Sanitation system along with solid and liquid waste management system will be put in place Latrines with septic tanks and land fill site for solid waste will be identified and constructed.	- Contractor	- Construction Engineer - Environment Specialist
Soil Pollution due to fuel and oil spillage	- Contractor will follow strict rules for minimizing such spilling. - Labor associated with fuel filling and storage will be trained in optimum filling techniques, as well as penalties will be set for spilling diesel or motor oil. - In case of a spill, contractor will follow mitigation measures as per Guide Lines for Oil Spill Waste Minimization and Management issued by International Petroleum Industry Environmental Conservation Associate.	- Contractor	- Construction Engineer - Environment Specialist
Soil pollution due to excessive application of fertilizers and pesticides	- Agriculture extension programs targeting use of IPM, green manure, and limiting use of pesticides to required levels only will target farmer communities to inform and train them	- FATA Agriculture Directorate	- Project Director

Environmental Concerns	Mitigation Measures	Implementation	Supervision
Water quality and sedimentation load	- Periodic water sampling will be conducted in order to ascertain water quality during different seasons. Samples at locations, upstream and downstream of the dam, will be drawn for testing at the start of each season	- Environment Specialist	-Project Director
Use of irrigation water for cultivating high delta crops	- Cultivation of high delta crops will be strictly discouraged. Cropping pattern in accordance with the water balance model will be suggested and promoted.	- FATA Agriculture Department	-Project Director
Surface water contamination due to washing etc.	- Contractor will demarcate a washing area for all sorts of washing activities, with running water facility connected to a dedicated drain flowing into the septic tanks	- Contractor	-Construction Engineer
Drinking water	- Contractor will get stream water tested for chemical and biological contaminants, and assist in providing filtration to make water drinkable.	- Contractor	-Environment Specialist
Municipal liquid and solid waste	- Contractor will ensure solid waste bins are placed at labor eating and resting areas. Latrines and washing areas with septic tanks will be erected by the contractor at the construction site.	- Contractor	-Construction Engineer
Noise Pollution due to use of old machinery	<ul style="list-style-type: none"> - The contractor will ensure use of newer, well maintained machinery creates minimum noise and emissions as per NEQS 2000. - Vehicles used will be regularly checked for engine and exhaust noise. - Night time construction activities will be discouraged strictly, especially no blasting will take place after sunset. 	- Contractor	-Construction Engineer

Environmental Concerns	Mitigation Measures	Implementation	Supervision
Dust from construction and smoke from plants and machinery	<ul style="list-style-type: none"> - Contractor will use water sprinkling to minimize dust. - The contractor will make best efforts to provide well maintained machinery in a workable condition and emits least possible emissions - Vehicles will be regularly tuned, and checked for vehicular emissions to reduce air pollution 	- Contractor	- Construction Engineer
Smoke from burning of waste or firewood	- Contractor shall strictly ban burning of waste or of wood, especially extracted from nearby shrubs and bushes. He must provide clean fuel to the labor to use for their daily purposes	- Contractor	Construction Engineer
Damage to flora, fauna and habitat	<ul style="list-style-type: none"> - Contractor will ban extraction from the surrounding vegetation for fuelwood (or any other purpose), hunting of any birds/mammals/fish by the labor employed. - If such a case is witnessed, it will be brought to the notice of the project management as well as the concerned APA 	<ul style="list-style-type: none"> - Contractor - Environment Specialist - APA 	Project Director
Tribal tensions and rivalries	<ul style="list-style-type: none"> - Ensure continuous liaison with the communities throughout the construction of the project, so as to identify any such incident in time. - Relevant political authorities will be kept abreast of the progress, as well as any such issue if in making. 	Social Development Specialist	Project Director
Community safety risks due to both accidental and natural hazards	<ul style="list-style-type: none"> - Dam site will be located away from any settlement, or any public place where communities visit (graveyards, shrines, schools, etc.) - Public access to the site will be strictly prohibited, and a periphery fence will be erected. - Construction Camp Site will have first aid facility, with certain staff trained to handle emergencies. - Emergency Response Plan prepared and in place 	- Contractor	<ul style="list-style-type: none"> - Social Development Specialist - Project Director

Environmental Concerns	Mitigation Measures	Implementation	Supervision
HSE protocols for labor	<ul style="list-style-type: none">- Labour will be provided with protective gear including safety equipment, such as helmets, jackets, boots, torches, etc- Fire safety plans will also be prepared and drills carried out	<ul style="list-style-type: none">- Contractor	<ul style="list-style-type: none">- Construction Engineer

GENDER ACTION FRAMEWORK

Gender and Development

1. Based on the project gender analysis, it was noted that given the culturally sensitive society of FATA, dedicated interventions addressing women's issues may not be fully supported by local communities. However, increasing women's access to project benefits such as water for domestic use and small-scale income generating opportunities may address the practical needs of the women and improve their wellbeing.

2. Moreover, given the culturally restricted role of women in farm water management, there is limited scope for women to participate as active players in the project. Accordingly the project has been classified as "Some Gender Benefits" which will require specific measures and actions to be incorporated in the design of the project components and implementation arrangements. The implementing agencies support the gender provisions in the project design and agreed on certain actions to ensure women's access to project benefits.

Project Components	Proposed Actions and Targets	Responsibility
Component 1: Development of Irrigation Infrastructure	<ul style="list-style-type: none"> • Include gender design features in 15% of the sub-projects (e.g. washing pads, safe and easy access for water fetching) • Conduct need assessment in the selected project areas for gender provisions in the sub-projects • Conduct small scale pre and post studies on women's time use and savings 	Irrigation Department and PMU Social/Gender Specialist
Component 2: On-Farm Water Management	<ul style="list-style-type: none"> • Impart skill training to women through male family members in improved agriculture techniques for increased food security and income generation. For example: <ul style="list-style-type: none"> i) Food processing and preservation during peak seasons of fruits and vegetables; ii) kitchen gardening, tunnel farming and; iii) Mushroom and nursery raising • Develop linkages of the communities with the local markets. 	Irrigation and Agriculture Departments with the support of PMU Social/Gender Specialist
Component 3: Improved Watershed Management	<ul style="list-style-type: none"> • Impart skill training to women through male family members for increased income generation including : <ul style="list-style-type: none"> i) Raising private forest nurseries and medicinal plants; ii) Bee keeping and sericulture • Provide free inputs like plants, bags and 	Forest Department with the support of PMU Social/Gender Specialist

	seeds to women for raising nurseries and practicing their skills	
Component 4: Effective Project Management and Evaluation	<ul style="list-style-type: none"> • Placement of social/gender specialist in PMU for the implementation and reporting of gender actions • Incorporate gender-disaggregated data and reporting in PPMS • Encourage employment opportunities for women in the project 	FATA Secretariat

