



Project Summary Information

Date of Document Preparation: June 5, 2020

Project Name	Securing Human Investments to Foster Transformation (SHIFT) Program
Document Code	PD000410-PSI-PAK
AIIB member	Islamic Republic of Pakistan
Sector/Subsector	Others/Exceptions
Status of Financing	Under Preparation
Project Description	<p>The proposed Loan would be made under AIIB's COVID-19 Crisis Recovery Facility (the Facility) in support of the Government of Pakistan's (GoP's) SHIFT Program (Program). It will be co-financed with the World Bank (WB), which is planning to extend a credit under its Policy on Development Policy Financing (DPF Policy) to support the Program.</p> <p>The Program constitutes one element of Pakistan's response to and recovery from the impact of COVID-19 pandemic, focusing on human capital, economy and crucial health and social sector spending. While its focus is on the Government's public health and emergency expenditures, the Program also includes policy and institutional actions to mitigate the adverse health and economic shocks. These policy actions will promote medium term reforms in health and social sectors as well as social protection of the poor, including women, and human capital accumulation.</p> <p>The Program will deliver (i) social protection for the poor and vulnerable, (ii) an expanded health sector response to the pandemic and (iii) a pro-poor fiscal stimulus package to ensure recovery in growth and employment. The Program is, therefore, part of an integrated package designed to address immediate measures to mitigate the significant negative health, social, and economic impacts of the COVID-19 pandemic.</p>
Objective	<p>The objectives of the proposed Program are to: (i) strengthen health, education and Citizens Registration and Verification Statistics (CRVS) systems essential for human capital accumulation; (ii) recognize the contribution of women to economic productivity; and (iii) improve national safety nets to respond to shocks in a more efficient manner. These objectives will promote social protection and economic resilience to prevent long-term damage to the productive capacity, including human capital, of Pakistan's economy.</p>

Expected Results	<p>The Program will focus on the Government's efforts in health and social sectors while putting in place foundations for economic recovery around three policy pillars, namely: (a) Strengthening CRVS, health and education systems essential for human capital accumulation, (b) Improving the contribution of women to economic productivity, and (c) Improving national safety nets to respond to shocks in a more efficient manner. Expected results include:</p> <ul style="list-style-type: none"> (i) quality of civil registration and vital statistics improved (ii) quality of primary health care improved, and sustainability of national immunization increased (iii) learning poverty among all children reduced (iv) home-based workers (of which, 70 percent female) registered and working conditions for women improved (v) coordination of social safety nets to respond to the impacts of COVID-19 improved and human capital accumulation protected and supported.
Environmental and Social Category	<p>N/A (WB requires environmental and social analysis of a DPF-supported program but does not categorize it.)</p>
Environmental and Social Information	<p>This Loan will be co-financed with the WB as lead co-financier, and the Program's environmental and social (ES) risks and impacts have been assessed in accordance with the WB's Policy on Development Policy Financing (DPF Policy). AIIB's Environmental and Social Policy (ESP) was designed to apply to investment projects and has no provisions for its application to DPF operations. Therefore, as permitted by a decision of the AIIB's Board of Directors, the DPF Policy will apply to this operation in lieu of AIIB's ESP. This will ensure a harmonized approach to addressing the ES risks and impacts of the Program.</p> <p>The assessment carried out by the WB under the WB's DPF Policy has determined that the Program has no significant social and poverty consequences (especially on the poor and vulnerable groups) and does not cause significant effects on the country's environment, forests and other natural resources. The policies supported by the proposed Loan are likely to have positive overall environmental and social effects. Pakistan has adequate legislative cover, policy guidelines, and institutional mechanisms in place for managing the environment. This Program is not likely to cause any significant effects on Pakistan's environment, forests and other natural resources, and there are systems in place for reducing any eventual adverse effects. WB carried out a Poverty and Social Impact Analysis and concluded that there are no potential negative impacts of the policy measures under the Program. Actions supported by the Program are inherently pro-poor and aimed at enhancing human capital and protection of vulnerable groups including women. The Program promotes recognition of women's engagement in the economy. The policy reforms are, therefore, expected to foster poverty reduction, social inclusion and gender equality.</p>

Cost and Financing Plan	Program cost: USD 750 million Financing Plan: <ul style="list-style-type: none"> • AIB loan: USD 250 million • WB loan: SDR 366.4 million (USD 500 million equivalent) 			
Borrower	Islamic Republic of Pakistan			
Implementing Entity	Ministry of Finance			
Estimated date of loan closing	December 2021			
Contact Points:	AIB	WB	Borrower	Implementation Organization
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Date of Concept Decision	June 12, 2020			
Date of Appraisal Decision/Estimated Date of Appraisal Decision	June 12, 2020			
Date of Financing Approval/Estimated Date of Financing Approval	July, 2020			

Independent Accountability Mechanism	AIB's Policy on the Project-affected People's Mechanism (PPM) addresses issues raised under AIB's ESP, which does not apply to this operation. Submissions to the PPM under the Program would, therefore, not be eligible for consideration by the PPM. The WB's independent accountability mechanism addresses issues raised by persons adversely affected by a WB-financed operation and allows them to report alleged non-compliance with the WB's operational policies and procedures, including the DPF Policy.
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