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CRISIS RESILIENT SOCIAL PROTECTION- ADDITIONAL FINANCING (CRISP- P181588)

ADDENDUM TO ENVIRONMENTAL AND SOCIAL SYSTEMS ASSESSMENT

Due to the success of the CRISP program and the improved delivery capabilities of the Benazir Income Support Program (BISP), the government has requested further investments in and utilization of the adaptive system through an Additional Financing (AF) of US\$400 million. Additional financing is the appropriate instrument given that the government has proposed important system improvements which continue the reforms contemplated under the original CRISP project. The boundaries of the broader Government's program and the program supported through CRISP will be retained with no additional funding to the Investment Project Financing (IPF) Technical Assistance component. Considering that the proposed AF would be directly tied to the existing activities with no changes in the scope and boundary of the program, an addendum has been prepared for assessing the impacts of the new DLRs.

This Additional Financing will contribute to Result Areas 1 & 3 of the parent project. Disbursement Linked Indicators (DLI) proposed under the AF will cover some longer-term policy actions regarding the BISP programs and the National Socio-Economic Registry (NSER) while identifying and correcting coverage gaps. Under Result Area 1, the proposed results support; (a) adoption of recertification protocols to ensure predictability in program exit and entry for BISP programs during future recertifications; (b) institutionalization of an indexation mechanism for the base cash transfer program (*Kafaalat*) benefits to prevent erosion in purchasing power and to protect against the impacts of impending economic reforms; (c) inclusion of all eligible beneficiaries under the current eligibility criteria by identifying and correcting gaps in NSER that have led to any unintended exclusion through the expansion of mobile MELA touchpoints; (d) adoption of NSER as the agreed targeting mechanism nationwide and development of a technology-supported mechanism to facilitate its use by other programs; (e) measures to correct the current overlap of federal and provincial Conditional Cash Transfer (CCT) programs and to prevent future overlap, including gradual takeover by the provinces of Punjab and Sindh of the federal nutrition-focused CCT. Post the 18th Amendment to Pakistan's Constitution, Social protection as a subject was devolved to the provinces. Currently the federal government has a considerable investment in social assistance which also overlaps with some of the conditional cash transfer programs being run by provinces. There is a need to support the provincial governments to take decisions to realign their respective responsibilities.

ASSESSMENT METHODOLOGY

The assessment was conducted by the Bank team, based on a review of available data and an analysis of BISP's performance on environmental and social risk management—particularly how it is incorporating recommendations from the initial Environmental and Social Systems Assessment (ESSA), and how it is adhering to the Environmental and Social Commitment Plan for the TA/IPF component of the parent program.

FINDINGS

The parent program is performing 'Satisfactorily' on environmental and social aspects and is adequately staffed. BISP has made commendable efforts in social mobilization and outreach to vulnerable groups

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(including indigenous people), streamlining various components of the Grievance Redressal Mechanism (GRM), and developing a gender action plan. There has also been progress on managing the environmental footprint of electronic waste (e-waste) generated by the program, including developing Standard Operating Procedures for the handling of waste, and initiating training programs for staff.

The impacts of the proposed additional DLIs were assessed against the ESSA Core Principles of 1) *Informed Environmental and Social Management*; 2) *Minimizing Adverse Impacts on Natural Habitats*; 3) *Protecting Public and Worker Safety*; 4) *Managing Land Acquisition*; 5) *Equitable Access to Program Benefits for Indigenous and Vulnerable Groups*; and 6) *Avoiding Social Conflict*.

Proposed DLI	Environmental Assessment	Social Assessment
The Benefit Adjustment Committee adopts a CPI-based indexation mechanism that sets the floor of annual increases to Kafaalat cash transfer benefits.	Negligible impact	Negligible impact
The first three annual adjustments using the new CPI-based indexation formula as a minimum increase to the Kafaalat program amount are implemented	Negligible impact	Negligible impact
The Benefit Adjustment committee increases the Kafaalat cash amount (on top of CPI-based increase) to bring the average eligible families benefit to 15% of the targeted families' average consumption	Negligible impact	Negligible impact
Districts where recertification is initiated per the BISP Board-approved and revised recertification Protocols	Negligible impact	Citizens may be unaware of recertification protocols, leading to an increase in grievances related to exiting from program benefits
Union Councils where at least one exclusive mobile MELA touchpoint is functional, starting from priority districts with lowest coverage.	Negligible impact	Citizens may be unaware of touchpoints, and new program staff may not be adequately trained
Develop and operationalize a cloud-based data-sharing service that facilitates software and infrastructure support to programs	Technology upgrades should be in accordance with E-waste SOPs	Negligible impact
Programs external to BISP utilizing the complete cloud-based data-sharing service developed under DLI#18	Negligible impact	Potential for data misuse in the absence of national data protection laws and systems
BISP Board regulations are revised to include one senior representative nominated by each of the provincial governments as member of the BISP Board	Negligible impact	Negligible impact
Eligible but un-enrolled Kafaalat beneficiaries identified in the NSER, are enrolled in the program, and have received at least one quarterly payment	Negligible impact	Citizens may be unaware of changes in eligibility criteria and program benefits

Federal and Provincial cabinets approve cash-based SP frameworks that: restrict new federal CCTs in provinces; adopt NSER as the base for household-targeting; clarify roles and mandates	Negligible impact	Greater federal-provincial and institutional coordination would be required
Federal & Provincial Cabinets of Punjab & Sindh have endorsed phased, time-bound and costed action plans to progressively shift responsibility of H&N CCTs to the Punjab and Sindh SP Authorities	Negligible impact	Greater interprovincial and institutional coordination would be required
The action plan(s) under DLI#23 have been implemented in a total of four districts between Sindh and/or Punjab, where the provision of H&N CCT has been fully transferred as provincial responsibility	Negligible impact	Need to strengthen coordination and collaboration mechanisms on risk management

This Additional Financing supports activities that are within the scope of the parent project. The parent project’s Environmental and Social Systems Assessment (ESSA) is going to remain valid, and its recommendations continue to be extremely relevant.¹ However, the Additional Financing could be used towards further augmenting the concerned BISP departments; towards the following recommendations that were outlined in the ESSA: *1) Strengthening institutional arrangements; 2) Implementing multimodal communications campaigns; and 3) GRM Improvement*

¹ The ESSA of the parent project can be accessed here: <https://documents1.worldbank.org/curated/en/462271607441221346/Draft-Environmental-and-Social-Systems-Assessment-ESSA-Pakistan-Crisis-Resilient-Social-Protection-CRISP-P174484.docx>