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PAKISTAN PUBLIC RESOURCES FOR INCLUSIVE DEVELOPMENT MULTIPHASE PROGRAMMATIC APPROACH: KHYBER PAKHTUNKHWA
(KP PRID)
(P515269)

ENVIRONMENTAL AND SOCIAL SYSTEMS ASSESSMENT (ESSA)

September 7, 2026

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List of Acronyms

ACS	Additional Chief Secretary
ADP	Annual Development Program
ADR	Alternative Dispute Resolution
AIP	Accelerated Implementation Programme
AIT	Agricultural Income Tax
BCP	Seismic Building Code of Pakistan
BEmONC	Basic Emergency Obstetric and Newborn Care
BHU	Basic Health Unit
BoR	Board of Revenue
BoS	Bureau of Statistics
BPS	Basic Pay Scale
C&GBT	Climate and Gender Budget Tagging
CCFF	Climate Change Financing Framework
DCMA	Data Collection and Monitoring Assistant
DGF	Data Governance Framework
DHO	District Health Officer
DLI	Disbursement Linked Indicator
DLR	Disbursement Linked Result
DRM	Domestic Revenue Mobilization
DSS	Double Shift Schools
E&S	Environmental and Social
E&SED	Elementary and Secondary Education Department
EFF	Extended Fund Facility
EPADS	Electronic Procurement and Asset Disposal System
ESF	Environmental and Social Framework
ESMO	Environmental and Social Management Officer
ESMU	Environmental and Social Management Unit
ESS	Environmental and Social Standard
ESS2	Environmental and Social Standard 2 — Labor and Working Conditions
ESS7	Environmental and Social Standard 7 — Indigenous Peoples
ESSA	Environmental and Social Systems Assessment
ETNCD	Excise, Taxation and Narcotics Control Department
FATA	Federally Administered Tribal Areas
FBR	Federal Board of Revenue
FD	Finance Department
FM	Financial Management
FMIS	Financial Management Information System

GBT	Gender Budget Tagging
GBV	Gender-Based Violence
GCS	Girls' Community Schools
GER	Gross Enrollment Rate
GIS	Geographic Information System
GLOF	Glacial Lake Outburst Flood
GoKP	Government of Khyber Pakhtunkhwa
GRB	Gender Responsive Budgeting
GRM	Grievance Redress Mechanism
GRPB	Gender Responsive Planning and Budgeting
GRS	Grievance Redress Service
GSTS	General Sales Tax on Services
HR	Human Resources
IA	Implementing Agency
ICRF	Integrated Climate Resilience Framework
ICT	Information and Communication Technology
IFMIS	Integrated Financial Management Information System
IHPD	Integrated Health and Population Dashboard
ILO	International Labour Organization
IMF	International Monetary Fund
IMU	Independent Monitoring Unit
IP	Indigenous Peoples
IPF	Investment Project Financing
ISR	Implementation Status and Results Report
IVA	Independent Verification Agent
KP	Khyber Pakhtunkhwa
KP-EPA	Khyber Pakhtunkhwa Environmental Protection Agency
KP-HCC	KP Healthcare Commission
KP-ITB	KP Information Technology Board
KPAIT	KP Agricultural Income Tax Act
KPCSW	Khyber Pakhtunkhwa Commission on the Status of Women
KPDDH	KP Development Data Hub
KPEMA	KP Education Monitoring Authority
KPHCIP	KP Human Capital Investment Project
KPPRA	KP Public Procurement Regulatory Authority
KPRA	Khyber Pakhtunkhwa Revenue Authority
KPRMP	KP Revenue Mobilization and Public Resource Management Program
LAA	Land Acquisition Act

LHS	Lady Health Supervisor
LHW	Lady Health Worker
M&E	Monitoring and Evaluation
MFS	Minimum Functional Standards
MIS	Management Information System
MPA	Multiphase Programmatic Approach
MSDS	Minimum Service Delivery Standards
MTI	Medical Teaching Institution
NADRA	National Database and Registration Authority
NDMA	National Disaster Management Authority
NFP	National Fiscal Pact
NMD	Newly Merged District
NOC	No Objection Certificate
OHS	Occupational Health and Safety
OLePFM	Outcome-Led Public Financial Management
P&D	Planning and Development
PAD	Program Appraisal Document
PAP	Program Action Plan
PATA	Provincially Administered Tribal Areas
PCMC	Primary Care Management Committee
PDO	Program Development Objective
PFC	Provincial Finance Commission
PFM	Public Financial Management
PforR	Program-for-Results
PIO	Public Information Officer
PISF	Pakistan Information Security Framework
PMRU	Performance Management and Reforms Unit
PMU	Program Management Unit
POS	Point-of-Sale
PPE	Personal Protective Equipment
PRID	Public Resources for Inclusive Development
PRO	Public Relations Officer
PSSF	Pakistan School Safety Framework
PTC	Parent-Teacher Council
QA	Quality Assurance
RA	Results Area
RHC	Rural Health Center
RMNCH	Reproductive, Maternal, Newborn and Child Health

RTI	Right to Information
RTS	Right to Public Services
RVP	Regional Vice President
SBC	Social and Behavior Change
SBR	Statistical Business Register
SDC	Service Delivery Center
SEA/SH	Sexual Exploitation and Abuse / Sexual Harassment
SECS	Stakeholder Engagement and Communication Strategy
SEP	Stakeholder Engagement Plan
SOP	Standard Operating Procedure
SPEED	Khyber Pakhtunkhwa Spending Effectively for Enhanced Development
SQMI	School Quality Monitoring Instrument
SRA	Security Risk Assessment
SRSP	Sarhad Rural Support Programme
SSU	Shared Services Unit
TA	Technical Assistance
TFC	Tax Facilitation Center
TPVA	Third-Party Verification Agent
TSA	Treasury Single Account
UIPT	Urban Immovable Property Tax
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children’s Fund
USAID	United States Agency for International Development
WB	World Bank
WBG	World Bank Group

EXECUTIVE SUMMARY

The Program and Purpose of this Assessment

The Pakistan Public Resources for Inclusive Development Multiphase Programmatic Approach: Khyber Pakhtunkhwa (KP PRID) is a US$200 million hybrid operation comprising a US$180 million Program-for-Results (PforR) component and a US$20 million Investment Project Financing (IPF) component. Its Program Development Objective is to strengthen the fiscal system to support macroeconomic stability and service delivery in Khyber Pakhtunkhwa. The program is organized around three Results Areas: more efficient and effective revenue collection (RA1); strengthened allocation, efficiency, and accountability in health and education expenditures (RA2); and an improved statistical and data landscape for evidence-based policymaking (RA3). It builds on two predecessor Bank-financed operations, the KP Revenue Mobilization and Public Resource Management Program (KPRMP) and the KP Spending Effectively for Enhanced Development (KP SPEED) program.

This Environmental and Social Systems Assessment (ESSA) has been prepared by the World Bank in accordance with the requirements of the PforR Policy and Bank Directive. It evaluates the adequacy of the Government of KP's existing environmental and social management systems to manage the risks associated with the PforR component, identifies gaps against the six PforR Core Principles, and proposes a Program Action Plan (PAP) to address those gaps. The ESSA is limited in scope to the PforR component; the IPF component is governed by the World Bank's Environmental and Social Framework.

Environmental and Social Risk Ratings

The Program is assessed as having Moderate environmental and Moderate social risks.

Social risks arise mainly from: (i) distributional effects of AIT and other revenue reforms on smallholders, tenants, sharecroppers, informal workers, and other vulnerable groups; (ii) gender barriers in tax administration; (iii) digital exclusion for people with limited connectivity, literacy, or access to digital services; and (iv) data privacy and equity risks associated with the KP Development Data Hub (KPDDH). These risks are generally indirect and manageable through the Program systems and the PAP.

Environmental risks are Moderate and relate principally to e-waste from IT procurement and weaknesses in biomedical waste management at primary health facilities. These risks are localized and can be managed through strengthened OHS and waste-management procedures.

Key Social Risks

Results Area 1: More efficient and effective revenue collection

Revenue reforms under RA1 may generate stakeholder resistance and distributional impacts, particularly if AIT obligations are shifted from large landowners to tenants or sharecroppers. The Program does not support revenue collection or enforcement in the NMDs; the NMDs remain relevant primarily to RA3 data activities. Gender barriers in tax administration, including the very low representation of women among frontline revenue staff and taxpayers, may also constrain equitable access to tax services. These risks are addressed principally through PAP Actions 2, 3, and 5, covering accessible grievance redress, gender-responsive and socially inclusive tax administration and distributional monitoring, and targeted stakeholder engagement.

Results Area 2: Strengthened allocation, efficiency, and accountability in expenditures in health and education

RA2 reforms are expected to improve the transparency and responsiveness of health and education spending. Residual social risks relate to equitable prioritization of Minimum Functional Standards (MFS), accessibility for vulnerable groups, PTC reporting capacity, and workplace/SEA/SH risks. These are addressed through the MFS allocation framework, PTC capacity support, the Program GRM, and PAP Actions 2, 5, and 7.

Results Area 3: Improved statistical and data landscape for policymaking and institutionalized use

The KPDDH will integrate data from multiple agencies. Key risks are privacy, cybersecurity, and data-driven exclusion if incomplete administrative data systematically underrepresent remote districts, women, persons with disabilities, or the Kalash. PAP Action 4 requires a Data Governance Framework with access controls, data minimization, de-identification, breach response, grievance procedures, and equity provisions before the KPDDH becomes operational.

Key Environmental Risks

E-Waste: All three Results Areas involve significant IT equipment procurement for tax administration digitization, digital procurement and payment systems in health and education, and the KPDDH infrastructure. KP does not have specific e-waste regulations, and all seven implementing agencies currently dispose of obsolete IT equipment through auction under KPPRA rules without environmental safeguards or engagement with KP-EPA-licensed vendors. Without dedicated e-waste management procedures, the program will generate hazardous electronic waste at scale without appropriate controls.

Biomedical Waste: The devolution of budget authority to RHC facility managers under DLI 4 increases RHC operational capacity, but the KP Management of Hospital Waste Rules are not uniformly implemented at the primary care level. Rural RHCs and BHUs currently rely on secured burial pits or open burning rather than the industrial incinerators available at district hospitals. Improved operational budgets at RHCs, without complementary biomedical waste management capacity, risk increasing the volume of improperly disposed clinical waste.

Institutional Capacity Assessment

A Program Management Unit (PMU) will be established under the Finance Department to convene and support the Steering Committee, facilitate and support Reform Teams, and manage day-to-day coordination, financial management, procurement, environmental and social safeguard activities, and monitoring and reporting on Program implementation and results indicators. Program activities will be implemented by the Khyber Pakhtunkhwa Revenue Authority (KPRA), Excise, Taxation and Narcotics Control Department (ETNCD), Board of Revenue (BoR), Bureau of Statistics (BoS), Elementary and Secondary Education Department (E&SED), and Health Department. An overview of their environmental and social systems and capacity is provided below:

The Finance Department's Shared Services Unit (SSU), the primary institutional platform for program-level E&S management carries institutional memory from KPRMP and SPEED but has had a recurrent vacancy of the Environmental Specialist position. E&SED has the most developed grievance redress architecture of any implementing agency, and the Health Department's community oversight structures and Lady Health Worker network provide meaningful social accountability at the facility level. The Bureau of Statistics has the most operationally sophisticated NMD field protocols of any agency.

ETNCD presents the most significant institutional risk: a near-total absence of women in its workforce, documented field officer misconduct in enforcement activities, no formal departmental GRM, and a UIPT appeals process structurally inaccessible to low-literate and low-income citizens. KPRA similarly lacks gender-sensitive service delivery, with a GRM awareness rate of only 7% among women GSTS taxpayers.

Systemic gaps across the implementing institutions include: the absence of dedicated E&S safeguards specialists; inadequate or absent e-waste management procedures; low gender representation at senior and operational levels; and limited or no Program-specific GRM mechanisms.

The following critical legal gaps were identified: the absence of federal data protection legislation (relevant to the KPDDH); the absence of provincial e-waste regulations beyond the general KP Environmental Protection Act 2014; near-zero awareness and enforcement of existing legal protections for women including the Widow's UIPT Exemption; and uneven implementation of the KP Occupational Safety and Health Act 2022 across agencies.

Consultation and Disclosure

A stakeholder consultation workshop on the draft ESSA was held on July 7, 2026 in Peshawar before finalization. Feedback emphasized: stronger E&S capacity in implementing agencies; gender-responsive monitoring; the distributional and climate sensitivity of AIT; social resistance to tax reforms; e-waste and biomedical waste management; data governance; use of existing provincial grievance channels; the relevance of PTC guidance to DLI 6.1; and the need to ground findings on NMD service-access disparities in current data. The ESSA and PAP were revised accordingly. The final ESSA will be disclosed in-country and on the World Bank external website prior to Regional Vice President (RVP) / Board consideration.

Recommended Inputs for Program Action Plan

The table below provides a condensed summary of the actions that the ESSA Team recommends for inclusion in the Program Action Plan (PAP). The full actions, including responsibilities, implementation timelines, and completion measures, are presented in Section VII.

#	Action Description	Source	Responsibility	Timing	Completion Measurement
1	Strengthen E&S institutional capacity through PMU specialists, IA focal persons and targeted capacity building.	E&S	FD/PMU	Within 3- 6 months of Program effectiveness; ongoing	Specialists in PMU are hired within 3 months of effectiveness; and IA focal persons training completed within 6 months
2	Strengthen and integrate existing grievance systems, including accessible and confidential SEA/SH-sensitive intake, referral and escalation arrangements.	E&S	FD/PMU	Within 6 -12 months of Program effectiveness; ongoing	Mapping study completed within 6 months of effectiveness. Integrated grievance systems, operational as notified by PMU within 12 months of effectiveness

3	Strengthen gender-responsive taxpayer services and monitor material distributional impacts of Program-supported tax reforms.	E&S	KPRA / ETNCD / BoR	Within 6 months of Program effectiveness; ongoing	Report on measures, GoKP notification on monitoring framework; monitoring reports produced every 6 months
4	Adopt and operationalize data privacy, security, grievance and equity safeguards, before KPDDH operationalization, as part of the inter-agency data sharing agreements and formalized mandate of the QA Unit.	E&S	BoS	Before KPDDH becomes operational; ongoing	Inter-agency data sharing agreements signed; QA Unit notified by Pⅅ implementation and compliance report produced every year
5	Implement inclusive stakeholder engagement and culturally appropriate consultation procedures for vulnerable and culturally distinct groups where relevant.	E&S	FD/PMU	Within 6 months of effectiveness; ongoing	Establish procedures, protocols and guidelines within 6 months; implementation and compliance report produced every 6 month
6	Strengthen Program-relevant OHS systems and environmentally sound e-waste management.	E&S	FD/PMU	Within 6 -9 months of effectiveness; ongoing	Initial OHS assessment report within 6 months and OHS protocols within 9 months of Program effectiveness; implementation report every 6 months
7	Strengthen biomedical waste management at Program-supported RHCs alongside implementation of DLI 4.	E&S	HD	Within 12 months of effectiveness; ongoing	Report on established arrangements and implementation reports every 6 months

I. INTRODUCTION

A. Environmental and Social Systems Assessment: Purpose and Objectives

This Environmental and Social Systems Assessment (ESSA) has been prepared by a World Bank ESSA Team for the proposed Pakistan Public Resources for Inclusive Development Multiphase Programmatic Approach: Khyber Pakhtunkhwa (KP PRID) which will be supported by the World Bank's Program for Results (PforR) financing instrument. In accordance with the requirements of the World Bank Policy Program-for-Results Financing (PforR Policy), PforRs rely on country-level systems for the management of environmental and social effects. The PforR Policy requires that the Bank conduct a comprehensive ESSA to assess the degree to which the relevant PforR Program's systems promote environmental and social sustainability and to ensure that effective measures are in place to identify, avoid, minimize, or mitigate adverse environmental, health, safety, and social impacts. Through the ESSA process, the Bank ESSA Team develops recommendations to enhance environmental and social management within the Program, which are included in the overall management action plan.

The main purposes of this ESSA are to: (i) identify the Program's environmental and social effects; (ii) assess the legal and policy framework for environmental and social management, including a review of relevant legislation, rules, procedures, and institutional responsibilities used by the Program; (iii) assess implementing institutions' capacity and performance to date in managing potential adverse environmental and social issues; and (iv) recommend specific actions to address gaps in the Program's environmental and social management system, including with regard to the policy and legal framework and implementation capacity.

This ESSA assesses or considers the extent to which the Program's environmental and social management systems are adequate for and consistent with six core environmental and social principles contained in paragraph 8 of Section III of the PforR Policy (hereafter, Core Principles), as may be applicable or relevant under PforR circumstances. The Core Principles are listed below. They are further defined through corresponding Key Planning Elements that are included under each Core Principle in Section IV.

i. **Core Principle 1: *Environmental and Social Management***: Environmental and social management procedures and processes are designed to (a) promote environmental and social sustainability in Program design, (b) avoid, minimize, or mitigate against adverse impacts; and (c) promote informed decision making relating to a Program's environmental and social effects.

ii. **Core Principle 2: *Natural Habitats and Physical Cultural Resources***: Environmental and social management procedures and processes are designed to avoid, minimize, and mitigate any adverse effects (on natural habitats and physical and cultural resources) resulting from the Program.

iii. **Core Principle 3: *Public and Worker Safety***: Program procedures ensure adequate measures to protect public and worker safety against the potential risks associated with (a) construction and/or operations of facilities or other operational practices developed or promoted under the Program and (b) exposure to toxic chemicals, hazardous wastes, and otherwise dangerous materials.

iv. **Core Principle 4: *Land Acquisition***: Land acquisition and loss of access to natural resources are managed in a way that avoids or minimizes displacement, and affected people are assisted in improving, or at least restoring, their livelihoods and living standards.

v. **Core Principle 5: *Indigenous Peoples and Vulnerable Groups***: Due consideration is given to cultural appropriateness of, and equitable access to, Program benefits, giving special attention to the rights and interests of indigenous peoples and to the needs or concerns of vulnerable groups.

vi. **Core Principle 6:** ***Social Conflict:*** Avoid exacerbating social conflict, especially in fragile states, post-conflict areas, or areas subject to territorial disputes.

Core Principle 1: Environmental and Social Management, Core Principle 3: Public and Worker Safety, Core Principle 5: Indigenous Peoples and Vulnerable Groups and Core Principle 6: Social Conflict are deemed relevant to the proposed operation. The Program will not involve any land acquisition or major civil works and therefore only a limited direct physical impact on the environment or people are expected. Core Principle 2 (Natural Habitats and Physical Cultural Resources) is not triggered because no Program activities involve civil construction, extraction, or other interventions in natural habitats. Core Principle 4 (Land Acquisition) is not triggered because the Program does not support any land acquisition, resettlement, or restriction of access to natural resources. These determinations are consistent with the Program's design as a governance and fiscal reform operation. However, based on the information currently available, it is likely that the Program will generate indirect and induced effects. For the purposes of this ESSA, program-related risks are distinguished across three categories. First, direct program risks are harms that arise directly and foreseeably from the specific reforms, systems, or activities financed under the Program — for example, the risk that AIT obligations are passed from large landowners to smallholder tenants as a direct consequence of DLI 2 implementation. Second, implementation environment risks arise from the institutional or social context in which the Program operates, which may shape outcomes but are not caused by program activities — for example, ETNCD's pre-existing field officer misconduct record. Third, pre-existing structural conditions are background factors that provide important analytical context but fall outside the program's scope — for example, Pakistan's absence of a comprehensive data protection law. This ESSA assesses all three categories but focuses mitigation actions on the first two. Pre-existing structural conditions are noted but do not influence the overall risk rating.

An additional purpose of this ESSA is to inform decision making by the relevant authorities in the borrower country and to aid the Bank’s internal review and decision process associated with KP PRID. The findings, conclusions and opinions expressed in this document are those of the World Bank. The recommended actions that flow from this analysis have been discussed and agreed with KP Government counterparts and will become legally binding agreements under the conditions of the new loan.

B. ESSA Methodology

This ESSA was prepared through review of Program and sector documents, applicable laws and policies, institutional questionnaires and interviews, and stakeholder consultations. The analysis informs the Program Action Plan (PAP), which addresses material system and capacity gaps identified against the applicable PforR Core Principles.

The ESSA review process seeks to describe and assess the systems for managing environmental and social effects of a proposed Program. The World Bank drew on a wide range of data, sources, and inputs during the ESSA review process, including the following actions:

i. **Assessment of the environmental and social effects of the Program**: The ESSA Team assessed the potential for the Program to cause adverse environmental and social effects, either due to its design and Program components or due to gaps in Program systems.

ii. **Desk review covered applicable federal and KP laws, policies, Program documents, and relevant predecessor ESSAs and supervision material.** For education activities under DLI 6.1, the review also considers applicable E&SED Parent-Teacher Council (PTC) guidance and the Facility-Level Budgeting Policy governing PTC grant management and oversight.

iii. **Institutional analysis**: An institutional analysis was carried out to identify the roles, responsibilities, and structure of the relevant institutions responsible for implementing the KP PRID funded activities, including coordination between different entities at the national, provincial, and local levels. The capacity of key institutions to implement required environmental and social management actions was assessed. An important input for this assessment was an evaluation of these institutions' previous track record in managing such risks in the context of previous projects and programs.

iv. **Consultations and Interviews**: interviews and consultations were done with relevant experts and officials of the implementing agencies – Finance Department (FD), KP Board of Revenue (KP BoR), KP Revenue Authority (KPRA), Excise Taxation & Narcotics Control Dept (ETNCD), the Planning & Development Department (P&DD), Board of Statistics (BoS), KP Public Procurement Regulatory Authority (KP PPRA), the Health Department, and the Elementary and Secondary Education Department (KPESED).

This document is being made publicly available prior to RVP/Board consideration of the related PforR. This does not imply a presumed outcome. This document may be updated following RVP/Board consideration of the relevant PforR, and the updated document will be made publicly available in accordance with the Bank's policy on Access to Information.

C. Program Exclusion Criteria

Under the Bank's PforR Policy, activities that are "assessed to be likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people are not eligible for financing and are excluded from the Program." More specifically, the following activities will be ineligible for financing under the Program:

- Significant conversion or degradation of critical natural habitats or critical cultural heritage sites.
- Air, water, or soil contamination leading to significant adverse impacts on the health or safety of individuals, communities, or ecosystems.
- Workplace conditions that expose workers to significant risks to health and personal safety.
- Land acquisition and/or resettlement of a scale or nature that will have significant adverse impacts on affected people, or the use of forced evictions.
- Large-scale changes in land use or access to land and/or natural resources.
- Adverse E&S impacts covering large geographical areas, including transboundary impacts, or global impacts such as greenhouse gas (GHG) emissions.
- Significant cumulative, induced, or indirect impacts.
- Activities that involve the use of forced or child labor.
- Marginalization of discrimination against, or conflict within or among, social (including ethnic and racial) groups, or
- Activities that would (a) have adverse impacts on land and natural resources subject to traditional ownership or under customary use or occupation; (b) have significant impacts on Indigenous Peoples/cultural heritage that is material to the identity and/or cultural, ceremonial, or spiritual aspects of the affected communities.

II. PROGRAM DESCRIPTION

A. Program Context[1]

The proposed operation is the second phase of the Public Resources for Inclusive Development Multiphase Programmatic Approach (PRID-MPA). The PRID-MPA supports ongoing fiscal adjustment and sustainable reforms to preserve resources for Pakistan's human capital needs. Its Program Development Objective (PrDO) is to strengthen the federal fiscal system to support macroeconomic stability and service delivery by: (i) raising federal tax revenues; (ii) improving the efficiency and prioritization of federal public expenditures; and (iii) strengthening the fiscal and service delivery data ecosystem. Phase I, approved on December 19, 2025, and now in its first year, supports reforms at the federal level (P509827) and in Sindh (P511459). The proposed operation, Phase II of the PRID-MPA, supports the Government of Khyber Pakhtunkhwa's (GoKP) reform program, aligning with the federal PRID-MPA while reflecting KP's specific fiscal context, institutional capacity, and reform priorities.

KP's socio-economic outlook shows fiscal vulnerability and poor development outcomes. KP remains structurally dependent on federal transfers, while OSR finances a small and declining share of rapidly rising expenditures dominated by rigid salary and pension obligations (current expenditures) that crowd out development spending.

Poverty is high and rising, with 35.3 percent of the province's population classified as poor in FY2025. Human development indicators in KP are also low: around 40 percent of children under five are stunted, 36 percent of school-age children are out of school, and only 58 percent of children are fully immunized. These outcomes point to weaknesses in how public resources are mobilized, allocated, and managed, underpinning the proposed Program on (i) OSR Mobilization, (ii) expenditure efficiency in health and education, and (iii) the fiscal and service delivery data ecosystem.

KP has taken steps to increase OSR, but structural and administrative constraints continue to limit progress. The GoKP has expanded the sales tax and property tax base, improved taxpayer compliance, and improved tax administration, including through the digitization of the stamp duty and property tax records in 10 cities and integration of selected revenue databases. However, several constraints continue to impede mobilization:

- **Narrow tax base**. Large segments of the economy — including property, agriculture, and significant parts of the services sector — fall outside the effective reach of existing tax instruments. Exemptions, underassessment, and suboptimal tax design erode revenue potential, such as for high-value service categories, Provincially Administered Tribal Areas (PATA), and agriculture. Outdated property valuation tables and city records leave KP without a comprehensive registry of taxable entities.
- **Fragmented revenue administration and inadequate coordination**. Revenue collection is done by the KP Board of Revenue (BoR), Excise Taxation and Narcotics Control Department (ETNCD), and KP Revenue Authority (KPRA), while the Federal Board of Revenue (FBR) also collects withholding or advance linked to provincial taxes. Overlapping mandates and taxes2, separate payment systems, valuation tables that diverge from market rates, and limited data sharing due to insufficient digitization, undermine cross-verification and risk management. These constraints create confusion, reduce voluntary compliance, contribute to revenue leakages and higher collection costs, and encourage informal transactions. Limited taxpayer awareness and facilitation services further undermine

1 Program Appraisal Document

2 E.g., In addition to provincial property taxes, the FBR collects withholding and advance income taxes on property transactions, while provincial authorities collect annual property tax, property transaction taxes, and bed tax from private properties. Some professional tax categories also overlap with services sales tax.

compliance, especially outside major urban centers.

- **Limited technical capacity and digital readiness**. Despite progress in recent years, property and agriculture income tax administration remain largely manual, with limited digitalization of registration, filing, payment processing, assessment, and enforcement. Many urban properties remain outside the tax system and property ownership and land-based tax records are mostly manual and outdated. Data analytics and risk-based audit methodologies are underutilized, and arrears management is hampered by a litigation backlog that is not systematically tracked. Staff often lack the tools and skills that can allow the administration to transition from compliance-based enforcement to a taxpayer-services orientation conducive to broader voluntary compliance. Staffing gaps and limited performance incentives further constrain institutional capacity.

  Despite recent advancements in Public Financial Management (PFM) reforms and accountable service delivery, several challenges continue to constrain the effectiveness of public resource management for health and education service delivery. The KP province achieved major PFM advances such as the enactment of a comprehensive PFM law, the rollout of the federal Integrated Financial Management Information System (IFMIS) (the federal SAP-based Financial Accounting & Budgeting System, FABS) and e-procurement system (the federal e-Pak Acquisition & Disposal System, EPADS) to local governments, the establishment of a unified asset register, the establishment of specialized units for internal audit and debt management in the KP Finance Department (FD), the KP Citizen's Portal, and the publication of procurement plans.3 However, inadequate and inefficient public spending and PFM bottlenecks contribute to gaps in maternal and child health services, widespread child undernutrition, low life expectancy, high dropout rates,4 and weak learning outcomes. Geographic and gender disparities compound these challenges, disproportionately affecting girls and children in remote areas, and collectively constrain human capital development from the earliest stages of life.

- **Inefficient spending on health and education**. Public expenditure quality in KP's health and education sectors remains suboptimal, constraining service delivery outcomes particularly in rural health centers (RHCs) and primary schools. Resource allocation is weakly aligned with actual needs and costs, resulting in inequitable facility investments. Weak budget execution — in particular inconsistent and unpredictable releases — constrains the availability of essential operational inputs, disrupting procurement cycles, and preventing facilities from planning and managing resources effectively. Sector-specific constraints compound these systemic weaknesses. In education, facility improvement investments are not systematically prioritized against infrastructure gaps, resulting in inequitable capital allocation. In health, limited facility-level decision-making authority undermines the responsiveness and efficiency of budget execution, constraining facilities' ability to deploy resources in line with actual service delivery needs.

- **Gaps in the digitalization of public procurement and financial management in health and education**. Digital financial management systems are not yet fully integrated or implemented across all tiers of provincial government. The Financial Accounting & Budgeting System (FABS) system, the Integrated Financial Management Information System (IFMIS), is being extended to all the Drawing

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3 PFM and DRM reforms have been supported by several World Bank-financed operations including the KP Revenue Mobilization and Public Resource Management Program (KPRMP - P162302), the Governance and Policy Program for KP (GPP KP - P15641), and the KP Spending Effectively for Enhanced Development (KP SPEED - P175727).

4 The education sector in Khyber Pakhtunkhwa is characterized by high dropout at key transition points—especially after primary (post-Grade 5, into middle) and again from middle into secondary/matric. As the Pakistan Standards of Living Measurement Survey: primary participation in KP is ~83 %, middle is ~60 % and high is~53 %. Within primary schools also, dropout rates are high.

and Disbursing Officers (DDO) in KP through online bill submission. At the district level, RHCs and Basic Health Units (BHU) do not have DDO power and therefore they do not have access to the IFMIS. The recently rolled out e-procurement system (EPADS) is at an early stage of adoption, and limited interoperability between EPADS, the IFMIS, contract management, and e-payment systems leaves procurement, budget execution, and payment functions disconnected. In health and education, this fragmentation causes significant delays in the delivery of medicines, medical equipment, textbooks, and furniture, directly constraining service delivery. Manual payment processes remain prevalent, weakening expenditure transparency and accountability. In the education sector, unstandardized and paper-based financial reporting further constrains monitoring, internal audit, and performance management.

KP's fragmented data and statistics ecosystem constrain evidence-based planning, service delivery, and accountability. Despite some groundwork in building sectoral data systems and initial data integration efforts, key structural constraints persist. The KP Bureau of Statistics (BoS) – legally mandated to act as the provincial statistical agency – is constrained by limited autonomy5, vacancies in key technical positions, weak survey and data integration capacity, outdated hardware and software, and the absence of institutionalized coordination mechanisms. While the P&D Department's GIS Hub demonstrates the feasibility of data integration between line departments, there is need for a broader integration framework and architecture to ensure that various data sources can be validated, harmonized, and translated into official statistics and policy-relevant analytics. The following are the primary constraints in KP's data ecosystem for tracking service delivery outcomes and informing decision-making:

- **Gaps in availability, granularity, and coverage of official statistics**. Evidence-based policymaking is constrained by limited information on economic activity, employment, productivity, prices, and the informal sector, resulting in an incomplete picture of the provincial economy. In health and education, the absence of consolidated and regularly updated outcome indicators, limited coverage of private service providers, and weak integration of administrative datasets restrict the monitoring of service delivery outcomes and key indicators such as out-of-school children and stunting. Administrative data collected by line departments are often not independently validated or systematically used for planning.

- **Fragmented and non-interoperable data systems.** Although large volumes of administrative data are generated across line departments, these systems operate largely in silos, with limited interoperability and data integration, precluding cross-sectoral analysis — such as on issues like stunting — essential for results-based planning. The absence of provincial data standards and quality assurance mechanisms has resulted in inconsistent definitions, geographies, and reporting frequencies across departments, making data integration technically complex and undermining overall data reliability.

- **Lack of data utilization in decision-making**. Even where data exists, it is not systematically used to inform planning, project selection, or resource allocation. Planning processes across departments remain largely incremental or politically driven rather than needs based. The P&D Department's GIS Hub provides a geospatial data platform but lacks data on outcome indicators and analytical capacity.

5 While the BoS is responsible for collecting and compiling statistical data within KP province, it falls under the P&D department, and the official statistical authority lies with the Additional Chief Secretary (ACS). This also constrains the Bureau's ability to hire skilled staff and mobilize resources effectively.

The **Program Development Objective (PDO)** is *to strengthen the fiscal system to support macroeconomic stability and service delivery.*

The GoKP is addressing the challenges described above through the PFM Reform Strategy (2027–2032), which strengthens the provincial fiscal system as a foundational enabler of better service delivery. Recognizing that KP's poor outcomes in health and education stem primarily from weaknesses in how resources are mobilized, allocated, and managed – rather than from insufficient total resources – the Strategy works backward from health and education service delivery failures to identify and address their underlying PFM bottlenecks. It is organized around eight reform pillars spanning three implementation phases. Three of these pillars are prioritized and correspond to the three Results Areas (RAs) of the proposed Program: strengthened OSR mobilization; efficient, needs-based allocation and use of resources in primary health and education; and an integrated data and statistics infrastructure for evidence-based decision-making. The development of the strategy was led by the FD and involved the Health Department, the Elementary and Secondary Education Department (E&SED), sector stakeholders as well as revenue bodies and BoS, with technical support from the World Bank Group. The KP PFM Reform Strategy is grounded in (i) the NFP, agreed in 2024 between the federal government and all provinces under the 2024 IMF Extended Fund Facility (EFF) program; (ii) key sectoral plans and the DRM Strategy (June, draft); and (iii) the KP Good Governance Roadmap. Together, these frameworks provide strategic direction and operational objectives underpinning the KP PFM Reform Strategy and the proposed Program. With respect to the NFP, the Strategy's focus is not on KP's contribution to federal fiscal targets, but on operationalizing the NFP's core directions at the provincial level: strengthening KP's own fiscal position through improved DRM and more efficient public expenditure in health and education.

Results Area 1: More efficient and effective revenue collection (US$ 70 million)

Broadening the tax base and rationalizing exemptions, supported by GIS-based surveys, expansion of taxpayer registry, improving and harmonizing property valuation methodologies and tables, and cost-benefit analysis of exemptions to inform policy decisions. The Program will support the establishment of a property valuation unit, and the tax policy function in the FD to support evidence-based tax policy formulation. This objective will also benefit from the creation of a statistical business register, which would include informal sector establishments, under RA3.

Simplifying and harmonizing the revenue administration to improve taxpayer compliance. The proposed operation aims to simplify the interface between taxpayers and KP's revenue authorities and create institutional conditions for enhanced inter-agency cooperation. This includes rationalization or consolidation of duplicate or overlapping provincial taxes (including consolidated /combined collections) and completing digitization of tax records and business processes of major provincial taxes to support interoperability of tax systems and enhanced data sharing. The operation will support enhanced taxpayer facilitation through establishing a one-stop taxpayer registration facility for sales tax, consistent communication strategies, and targeted education campaigns.

Modernizing tax administration through digital transformation and strengthened capacity, including digitization of property records, introduction of analytical tools for assessments, third-party data linkages and real-time sales monitoring systems, sector studies for improved audits of sales tax on services, deployment of risk-based audit systems and centralized and interoperable databases, introduction of a unified form and digital system for the collection of property-related taxes, an online calculator to determine property tax liability, a taxpayer invoicing portal, introduction of data-driven Agricultural Income Tax (AIT) assessments, quantification and digitization of arrears, and establishment of institutional mechanisms for audit and recovery. Performance-based staff management, structured training programs, upgraded IT systems, and, possibly, institutional restructuring will underpin long-term institutional strengthening. The Program will not support revenue collection or enforcement in the Newly Merged Districts (NMDs). The GoKP Cabinet has approved an extension of the NMD tax exemption status. The NMDs remain within the Program boundary for relevant statistical and data activities and studies, as applicable. The Program may support studies to identify tax potential in the NMDs, but not tax collection or enforcement.

Results Area 2: Strengthened allocation, efficiency, and accountability in expenditures in health and education (US$ 80 million)

Improving spending efficiency in health and education to ensure that public funding translates into tangible service delivery improvements in RHCs and primary schools. It will strengthen budget credibility and execution by improving alignment between needs and budget allocations and reducing deviations between allocated and utilized non-salary budgets, including through timely and predictable fund releases. The Program also addresses sector-specific bottlenecks. In education, it will support needs-based budgeting by prioritizing facility improvement allocations against Minimum Functional Standards (MFS) assessments, driving a systematic increase in the share of fully functional public schools. In health, it will support improved alignment between investment allocations and District Action Plans (DAPs), and the delegation of spending authority from the DHO to individual RHCs, therefore giving RHCs access to the IFMIS and strengthening facility-level financial autonomy and responsiveness. Needs-based budgeting and evidence-based planning will directly benefit from improved data coverage in the health and education sectors achieved under RA3.

Advancing the digitalization of public procurement and financial management. The Program will build on KP's progress in government digitalization through greater integration and interoperability of the IFMIS, EPADS, and e-payment across all tiers of government. It will improve the use of EPADS and the e-payment system in health and education. In the health sector, it will digitize supply chain management system. In the education sector, it will strengthen school-level financial accountability by standardizing and digitizing PTC grant reporting, and incorporating their feedback to improve procurement, financial management and reporting. Collectively, these reforms are expected to reduce payment delays, minimize opportunities for leakage, strengthen audit trails, and improve the transparency, integrity, and efficiency of public procurement and financial transactions in health and education.

Results Area 3: Improved statistical and data landscape for policymaking and institutionalized use (US$ 30 million)

This Results Area aims to strengthen KP's provincial data ecosystem as a core enabler of better resource allocation, improved service delivery, and increased own-source revenue generation, directly underpinning the achievements of results under RA1 and RA2. By improving completeness, reliability, interoperability, and use of fiscal, economic, administrative, and service delivery data, the Program will support more efficient DRM, higher-quality public expenditure in health and education, and a shift toward evidence-based planning and needs-based budgeting.

Filling critical statistical gaps across key sectors. This includes developing guidelines for the production of provincial statistics on regional accounts, prices, and other economic and fiscal indicators. The establishment of a SBR will provide a comprehensive registry of business sector activity to improve the measurement of economic activity, firm dynamics, and tax potential, as well as a foundational sampling frame for the production of more accurate economic and fiscal statistics. Improved data coverage in the health and education sectors will also be prioritized, including sex-disaggregated data on service delivery outcomes, which will improve the government's ability to monitor development outcomes in health and education and inform needs-based budgeting.

Data integration and quality assurance. The Program will establish the institutional and technical foundations for consolidation of provincial data through formalized inter-agency data sharing agreements and protocols and automated data pipelines from line departments' management information systems (MISs) into a BoS-managed integrated platform (KP Development Data Hub, KPDDH). The Program will also support the establishment of a dedicated QA unit responsible for systematic validation of provincial data sources. These reforms will improve the credibility and comparability of data used for revenue administration, expenditure planning, and monitoring of health and education outcomes.

Increased use of data in decision-making. The KPDDH will include specialized interfaces for government decision-makers and a public-facing portal online to boost accountability. The Program will develop guidelines, train relevant officers, and provide incentives to institutionalize the use of integrated statistical, administrative, fiscal and spatial data in KP's Annual Development Program (ADP) planning and sector prioritization, and resource allocation for health and education. This will help ensure that public investments and recurrent budgets are better targeted to priority needs, while also improving the information base for identifying revenue potential and monitoring reform results.

Program Beneficiaries

The primary beneficiaries of the KP PRID-MPA are citizens of KP who stand to benefit from better-resourced and more efficient public services. Direct beneficiaries include recipients of enhanced healthcare and education services. Taxpayers and businesses will benefit from a more transparent and service-oriented tax administration. More broadly, improved OSR mobilization, strengthened public finance systems, and an evidence-based approach to policymaking and planning are expected to better align allocation of resources with provincial needs and ultimately enhance the quality and equity of public service delivery and investments across KP.

The Program comprises eight DLIs, A Third-Party Verification Agent (TPVA) will verify achievement of DLIs based on verification protocols.

Table 1: Disbursement Linked Indicators

DLI	Financing Allocated (US$, Million)
Results Area 1: More efficient and effective revenue collection	**70**
DLI 1 PDO: Increased provincial own-source tax revenues	40
DLI 2: Increased number of Sales Tax on Service (STS) filers and AIT filers	15
DLI 3: Increased risk-based audit capacity based on tax intelligence and data sharing	15
Results Area 2: Strengthened allocation, efficiency, and accountability in expenditures in health and education	**80**
DLI 4: Reduced deviation between allocated and utilized non-salary service delivery budget heads at RHCs	19
DLI 5 PDO: Increased share of public primary schools meeting Minimum Functional Standards (MFS)	19
DLI 6 PDO: Increased efficiency and Integrity through end-to-end digital procurement and payments being used for key service delivery inputs in primary education and health sector	14
Sub-DLI 6.1: Standardization and progressive digitization of PTC grant payment and reporting processes	18

Sub-DLI 6.2: Reduced procurement cycle time in primary education and health sectors, specifically medicines, equipment, textbooks and school furniture and increased transparency in procurement performance reporting	10
Results area 3: Improved statistical and data landscape for policymaking and institutionalized use	**30**
DLI 7 PDO: Improved evidence-based decision-making in health and education through institutionalized use of integrated statistical, administrative, and spatial data	15
DLI 8: Modernized economic, fiscal, and business statistics for decision-making are available	15
PforR	**180**

Experience from KPRMP, KP SPEED, and GPP KP shows that sustained reform results require targeted investments more effectively supported through IPF modalities. A US$20 million IPF component is therefore included to provide technical assistance (TA), system upgrades, and capacity building, and contributions to the learning agenda supported by the federal MPA.[6] The IPF component also enables enhanced Bank oversight for complex procurement activities — including specialized IT systems, advanced analytics tools, and high-value consultancy services — that require a level of fiduciary supervision beyond what is practicable under PforR arrangements.

- **Technical assistance and capacity building.** Under RA1, this will include an institutional analysis to assess the possibility and approach for consolidation of revenue administration in the province; HR, ICT, and training needs assessments; support to establish tax policy and property valuation units within FD; tax gap analysis, if not used for the upcoming DRM strategy; methodologies and frameworks; system design; and capacity building in data analytics. Under RA2, the IPF will include roll-out plans, training, and change management to support the use of MISs, EPADS, and e-payment, as well as specific training for Primary Care Management Committees (PCMCs). Under RA3, the IPF will include HR and institutional strengthening, training, expert advisory support, QA Unit operationalization, data governance (including a baseline assessment of provincial data systems and establishment of the data integration architecture), as well as technical assistance for the production of economic statistics, revenue analytics, and development of the KPSBR. More generally, the IPF component will also support capacity building and change management for achievement of the Disbursement Linked Results (DLRs).

- **System strengthening and digital upgrades:** Under RA1, this will include support in establishing data collection mechanism, provision of necessary operating systems, database and monitoring systems, hardware, software, AI and data analytics tools, and IT infrastructure. Under RA2, the IPF will include upgrades to EPADS and IFMIS, systems integration, IT upgrades and connectivity infrastructure in the education sector, and digitization of supply chain management system in the health sector. Under RA3, the IPF will include TA for data collection and sampling, particularly in fragile and conflict affected regions, data management and security, establishment of the QA Unit, the functional design of the KPDDH including development support, upgrades to the P&D Department's data center, hardware, software, and IT infrastructure. The IPF will also fund the expansion of selected modules of the existing e-Governance system (i.e. document management system) and roll out within selected implementing agencies.

6 The federal MPA plans for inter-provincial coordination and knowledge sharing to facilitate lesson sharing between provinces and support implementation of nationally consistent approaches and integration with federal policies and systems.

- **Implementation and results monitoring:** The IPF will fund implementation support activities that are essential for effective Program delivery and adaptive management. This includes support for the Program Management Unit (PMU) in the FD and PMU focal persons in implementing agencies, third-party validation, and a robust monitoring and evaluation system to track progress, inform mid-course corrections, and ensure accountability for results.

B. Program Implementation Arrangements

The Institutional and Implementation Arrangements will be aligned with the approach of the PRID-MPA. A KP Program-level Steering Committee will provide strategic direction and oversight and resolve any coordination issues. The committee will be chaired by the Additional Chief Secretary, P&D Department, and include senior representatives from all implementing entities. Reform Teams will be established for each Results Area and comprise technical officers from the implementing entities responsible for reform implementation and achievement of associated DLIs. Technical focal persons will be identified from all implementing entities: the FD, KP BoR, KPRA, ETNCD, the P&D Department, BoS, KP PPRA, the Health Department, and E&SED. The KP Information Technology Board has a cross-cutting supporting role for ICT-based interventions. Focal persons will coordinate implementation of department-specific activities supported by the proposed operation. A Program Management Unit (PMU) will be established within the FD to convene and support the Steering Committee, facilitate and support Reform Teams, and manage day-to-day coordination, financial management, procurement, environmental and social safeguard activities, and monitoring and reporting on Program implementation and results indicators.

The Program will take a multi-stakeholder and adaptive management approach to reform. A multi-stakeholder approach to implementation will ensure broad-based consultation, participation, and ownership throughout the program cycle. Key stakeholders — including provincial and local government agencies, schools and health facilities, civil society organizations, private sector representatives, taxpayers, and beneficiary communities — will be engaged through structured consultations, regular feedback mechanisms, and transparent information sharing. Existing channels such as the KP Citizen's Portal will be leveraged to capture citizen feedback and address grievances, and a Stakeholder Engagement Plan (SEP) will guide and document these engagement activities to inform adaptive management and strengthen social inclusion. Adaptive implementation will encourage a consistent, deliberate focus on the results while learning from experience and adjusting implementation based on M&E findings, citizen feedback, and third-party verification results. In line with the learning agenda supported by the federal MPA, knowledge sharing across PRID-MPA operations — at federal level, in Sindh, KP, and eventually Punjab and Balochistan — will be embedded to ensure sustainability and institutionalization of reforms.

III. POTENTIAL ENVIRONMENTAL AND SOCIAL EFFECTS

The Program does not finance large-scale infrastructure, high-risk industrial activities, or significant land acquisition or resettlement. Most E&S effects are therefore indirect or arise from the implementation environment. The assessment below focuses on material risks by Results Area and DLI.

A. Results Area 1 – More Efficient and Effective Revenue Collection

The DLIs under Results Area 1 are listed below:

- DLI 1: Increased provincial own-source tax revenues
- DLI 2: Increased number of General Sales Tax on Service (GSTS) filers and (AIT) filers
- DLI 3: Increased risk-based audit capacity based on tax intelligence and data sharing.

a) Social Effects

The activities supporting this results area are expected to produce the following social benefits and social risks:

Social Benefits: RA1 is expected to strengthen provincial revenues, improve tax administration, and reduce discretion through digitization and risk-based systems, with potential benefits for fiscal space, transparency, and taxpayer services.

Social Risks: RA1 presents Moderate social risk. Material risks include stakeholder resistance to tax reform; possible burden-shifting of AIT obligations to tenants and sharecroppers; exclusion of women and low-literacy or digitally excluded taxpayers; and integrity or harassment risks in frontline tax administration. These risks are indirect and manageable through improved taxpayer facilitation, grievance redress, gender-responsive measures, distributional monitoring, and stakeholder engagement under PAP Actions 2, 3, and 5.

Distributional impacts of AIT. AIT implementation may affect smallholders, tenants, and sharecroppers if tax liabilities are passed through rents or crop-sharing arrangements. The Program will monitor these distributional effects and take corrective measures where warranted through PAP Action 3.

Vulnerable groups. Revenue and digital reforms may affect women, low-income and low-literacy taxpayers, persons with disabilities, and minority communities differently. The Kalash are not subject to Program-supported revenue collection interventions; where RA2 or RA3 activities may affect Kalash communities, culturally appropriate consultation procedures will apply under PAP Action 5.

Newly Merged Districts. The Program does not support revenue collection or enforcement in the NMDs. Residual risks relate to stakeholder trust, digital inclusion, and the use of NMD data in RA3. These risks will be addressed through the Data Governance Framework and equity safeguards (PAP Action 4), distributional and social inclusion monitoring under PAP Action 3 where relevant, and inclusive stakeholder engagement (PAP Action 5).

Remote and underserved areas. Limited connectivity, administrative capacity, and access to taxpayer facilitation may create uneven access to Program-supported systems in remote districts. The Program will monitor these constraints and retain non-digital and locally appropriate engagement channels.

UIPT revaluation may increase liabilities for some property holders and could indirectly affect tenants or small businesses if costs are passed through rents. Transparent valuation, taxpayer communication, accessible appeals, and grievance channels are therefore important implementation measures.

Gender Exclusion from the Tax Base and Disproportionate Economic Burden. A gender vulnerability analysis conducted under KPRMP, the 'Impact and Vulnerability Analysis of GSTS and UIPT on Women Taxpayers in KP (2024)'; provides comprehensive quantitative evidence of women's systematic exclusion from the provincial tax system and of the disproportionate economic burdens that GSTS and UIPT expansion may impose on women.

- As of the time of that study, only 3% of registered GSTS taxpayers in KP were women (555 out of 20,124 total registered taxpayers), and women's names appeared on only 2.8% of all property units registered for UIPT (16,998 out of 602,041 units).

- Of women-owned properties, 86% are commercial and only 14% residential, with Peshawar division holding 51% of all women-registered units, indicating that women's formal economic participation is heavily concentrated in a single urban center and in commercial, rather than residential, property.

- The study further found that 59% of women GSTS taxpayers are concentrated in just four sectors: construction and contractual execution (36%), beauty parlors (9%), consultancy (9%), and agents (5%).

- Critically, the report found evidence of significant proxy registration in the construction sector, where businesses are formally registered under women's names (often female relatives of male business owners) with women having little or no knowledge of the business or its tax affairs. This practice means that even the 3% female GSTS registration figure overstates women's meaningful participation in the formal tax economy. Any program indicator that measures the number of female GSTS filers (including DLI 2) without accounting for proxy registration risks overstating progress on women's economic inclusion.

- For women who do genuinely operate businesses in the GSTS net, 73% of survey respondents reported perceiving GSTS as a direct reduction in profitability because they absorb the tax rather than passing it on to customers, for fear of losing business to competitors. This competitive dynamic imposes a disproportionate economic burden on women entrepreneurs, who operate in more price-sensitive market segments and have fewer margins to absorb compliance costs than their male counterparts.

- On UIPT, the study found that 58% of women property taxpayers reported sociocultural constraints to accessing the UIPT system, including fear of harassment at government offices, lack of independent mobility, and lack of decision-making power over property matters. The Widow's Exemption, an existing legal protection that exempts widows from UIPT, was found to be almost entirely unknown, stemming from majority of property matters being managed by men in the family. Only a small fraction of eligible widows were aware of this provision, which is a significant failure of the information and outreach systems of ETNCD. Any UIPT revaluation under KP PRID that is not accompanied by a systematic awareness campaign specifically targeting women property holders, particularly widows, risks increasing the effective tax burden on this already vulnerable group.

Sexual Exploitation, Abuse, and Harassment (SEA/SH) in Tax Enforcement. KPRA and ETNCD field officers who are entirely male, exercise significant discretionary authority over taxpayers during audits, inspections, POS system verifications, and UIPT revaluation assessments. KPRA has only 9 female staff across all four offices and ETNCD has only 6 female staff out of approximately 1,300 employees. Women business owners and women property holders who engage with these officials face a structural power imbalance that creates conditions for harassment, coercive behavior, and demands for informal payments in exchange for favorable assessments or non-enforcement. The KPRMP gender vulnerability study documented that 58% of women UIPT taxpayers cited fear of harassment at government offices as a primary barrier to engaging with the tax system, providing direct empirical evidence of SEA/SH as a deterrent to women's participation in the tax base. This risk is compounded in remote and underserved districts, where accountability mechanisms for field officers are weakest and the likelihood of reporting and redress is lowest. The documented bribery incident at ETNCD in February 2026 underscores the integrity risk in frontline enforcement more broadly. Without mandatory deployment of female officers at all TFCs and revaluation teams, and without a confidential and accessible reporting mechanism for SEA/SH, this risk will remain unmitigated.

Information Deficit and Citizen-State Distrust. The KPRMP vulnerability study found that 64% of women GSTS payers and 81% of women property taxpayers reported having inadequate information regarding their tax requirements and processes. This is a systemic knowledge gap, not an individual failing, and reflects the absence of gender-sensitive outreach, communication, and facilitation mechanisms across KPRA and ETNCD. The study also found a pervasive mistrust among women taxpayers regarding how tax revenues are used, a barrier to voluntary compliance that risks undermining the expansion of the GSTS and UIPT base under DLI 1 and DLI 2 unless addressed through a dedicated citizen-state trust communication strategy.

Digital Exclusion. The modernization of taxpayer registration and filing systems, including mandatory e-filing and integration of Point-of-Sale (POS) systems for GSTS poses a risk of digital exclusion for rural taxpayers, the elderly, and small-scale informal service providers who lack smartphones, reliable internet access, or basic digital literacy. The KPRMP vulnerability study confirmed that women entrepreneurs specifically cited a lack of IT skills and difficulty understanding complex registration and filing processes as significant barriers to GSTS compliance and noted that KPRA's e-filing interface is available only in English, further excluding low-literacy users. Women entrepreneurs in KP face compounded barriers including restricted mobility and inadequate facilities at Citizen Facilitation Centers (CFCs). In remote and underserved districts and NMDs, digital exclusion is compounded by poor connectivity infrastructure, making e-filing requirements effectively inaccessible without dedicated offline facilitation channels.

Cybersecurity and Data Privacy. The expansion of digitized taxpayer databases and the introduction of the tax intelligence function under DLI 3 increase the volume of sensitive personal and financial data held by provincial tax authorities. In the absence of comprehensive data protection legislation in Pakistan, this data is vulnerable to breach, misuse, unauthorized surveillance, and identity theft. The risk is heightened by the relatively nascent cybersecurity capacity of KPRA, BoR, and ETNCD.

Fiduciary and Corruption Risks in Land Record Digitization. Digitization of land records under BoR as a supporting activity carries a risk of data entry errors, deliberate manipulation of records by officials, and exploitation of landowners, particularly smallholders with limited literacy during the transition from paper to digital systems. Such errors could expose small farmers to contested ownership claims and extortion for record corrections. Though taxpayers have the opportunity to appeal or ask for correction, this risk prevails for small-holders and taxpayers with limited literacy due to lack of access to information and understanding of complicated appeals processes.

b) Environmental Effects

Under Results Area 1, the Program supports the modernization of KP's revenue administration system across three implementing agencies — the KP Revenue Authority (KPRA), the Excise Taxation and Narcotics Control Department (ETNCD), and the Board of Revenue (BoR). While the Program does not finance large-scale physical infrastructure, the accelerated digital transformation of these agencies generates two primary environmental risk categories — e-waste and occupational health and safety — alongside a modest positive environmental co-benefit from reduced resource consumption.

E-Waste Generation and Disposal is the primary environmental concern under Results Area 1. The large-scale digital transformation of KPRA, ETNCD, and BoR involves the procurement, deployment, and eventual decommissioning of significant volumes of IT equipment, including servers, desktop computers, networking hardware, point-of-sale devices, biometric terminals, and digital survey equipment. KPRA's ongoing expansion of its e-filing and GSTS taxpayer portal infrastructure, ETNCD's digitization of UIPT valuation and property record systems, and BoR's rollout of the Digital Land Records Portal across additional districts all involve multi-year procurement cycles that will progressively increase the stock of IT assets in use and — correspondingly — the volume of hardware entering end-of-life.

The environmental risk arises not from the acquisition of new equipment but from the absence of any formal end-of-life management framework at any of the three implementing agencies. All three agencies currently dispose of obsolete IT assets through public auction under KPPRA Disposal of Public Assets Rules, with no contractual or regulatory requirement to track the environmental fate of auctioned hardware beyond the point of sale. Once auctioned, equipment typically enters the informal recycling market, where it is processed by unregulated recyclers using hazardous techniques including manual dismantling without personal protective equipment, open burning of plastic casings and insulated cables to recover copper and aluminum, and acid leaching of circuit boards to extract precious metals. These processes release toxic emissions including dioxins, furans, polycyclic aromatic hydrocarbons, and heavy metal particulates — including lead, cadmium, mercury, and chromium — into the air, soil, and groundwater, posing direct and documented hazards to the health of informal recyclers, nearby communities, and the broader environment.

The regulatory gap compounds the operational gap. While the KP Environmental Protection Act 2014, Section 15, provides a general framework for the management of hazardous substances — covering generation, collection, transport, treatment, and disposal — no KP-specific e-waste disposal or recycling standards have been promulgated under this Act. The Hazardous Substance Rules 2003, enacted under the federal Pakistan Environmental Protection Act 1997, do not classify electronic waste as a hazardous substance, meaning no licensing or handling requirements formally apply to its recycling or disposal. No KP-EPA-licensed e-waste recycling facility currently operates within the province. Pakistan is a party to the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, which obliges parties to minimize hazardous waste generation and ensure environmentally sound management, but domestic implementation of this obligation in the e-waste sector remains nascent.

None of the three implementing agencies has incorporated end-of-life IT asset management provisions into its procurement contracts with ICT vendors. Buyback clauses, extended producer responsibility requirements, or take-back obligations — standard tools in jurisdictions with mature e-waste governance — are entirely absent from current KPPRA-compliant procurement templates. There are no SOPs for the storage, handling, or disposal of decommissioned IT equipment within any of the agencies, and no staff member has been designated with responsibility for e-waste management. As Program-financed IT procurement proceeds across KPRA, ETNCD, and BoR, this gap will widen proportionally to the scale of digital transformation supported.

Occupational Health and Safety (OHS) is the second key risk. Field revenue officers across all three implementing agencies conduct regular physical inspection activities that expose them to a range of occupational hazards. KPRA field officers undertake compliance visits to registered business premises across KP's 35 districts, including commercial and industrial sites in urban areas and remote market settlements in mountainous and border districts. ETNCD field officers conduct UIPT property revaluations across urban areas, including site inspections in structurally deteriorated buildings, construction zones, and informal settlements. BoR revenue surveyors and Patwaris undertake physical surveys of agricultural and urban land parcels, including sites in flood-prone and seismically active areas of the province.

These field operations expose officers to multiple categories of occupational hazard: traffic accidents during road travel, which is a leading cause of work-related fatality in Pakistan; extreme weather conditions in high-altitude and mountainous districts including Chitral, Upper Dir, Kohistan, and Tor Ghar, where seasonal road closures and flash floods create additional risks; physical hazards at inspection sites including unstable structures, chemical storage, and electrical infrastructure; and residual security risks in the Newly Merged Districts, where post-conflict conditions continue to present threats to the personal safety of government field staff.

Despite these operational realities, no implementing agency under Results Area 1 has established a functioning Health and Safety Committee or prepared a documented Workplace Safety Register, as required under the KP Occupational Safety and Health Act 2022 (Act No. XV of 2022). The Act grants employees a statutory right to refuse work in conditions presenting imminent danger to life or health and requires employers to conduct regular workplace safety assessments, maintain hazard registers, and ensure access to appropriate personal protective equipment. Current OHS compliance across KPRA, ETNCD, and BoR is therefore assessed as non-compliant with existing provincial law. No agency provides formal OHS briefings to field officers before inspection assignments, and no emergency communication or check-in protocols exist for officers operating in remote or high-risk locations.

A further OHS dimension arises from the handling of IT equipment. Staff responsible for IT asset management — including storage, transportation, and preparation of equipment for auction — may be exposed to hazardous materials during the handling of aging hardware, including cracked cathode ray tube monitors, leaking battery assemblies, and circuit boards containing lead solder and brominated flame retardants. No implementing agency has issued guidance on safe handling procedures, storage conditions, or PPE requirements for these activities.

On the positive side, the digital transformation activities supported under Results Area 1 carry a modest but meaningful positive environmental co-benefit through the reduction of paper-based processes and physical travel requirements. The introduction of online GSTS taxpayer portals, digital property valuation systems, and electronic land record access platforms will reduce the volume of paper documentation generated and retained across KPRA, ETNCD, and BoR — collectively among the most paper-intensive departments in KP's provincial administration. The availability of e-filing and online payment channels will also reduce the need for taxpayers and their agents to travel to physical tax offices for routine transactions, yielding a marginal reduction in vehicle emissions and fuel consumption relative to the pre-reform baseline.

While these positive effects are not large enough to materially alter the overall environmental risk rating for Results Area 1, they represent genuine environmental co-benefits that should be tracked and reported as part of the Program's environmental monitoring framework, alongside the risk-mitigation indicators for e-waste and OHS compliance.

B. Results Area 2 - Strengthened Allocation, Efficiency, and Accountability in Expenditures in Health and Education

The DLIs under Results Area 2 are listed below:

- DLI 4: Reduced deviation between allocated and utilized non-salary service delivery budget heads at RHCs
- DLI 5: Increased share of primary public schools meeting Minimum Functional Standards (MFS)
- DLI 6: Increased efficiency and Integrity through end-to-end digital procurement and payments being used for key service delivery inputs in primary education and health sectors (medicines, equipment, textbooks and school furniture)
    - Sub-DLI 6.1: Standardization and progressive digitization of PTC grant payment and reporting processes
    - Sub-DLI 6.2: Reduced procurement cycle time in primary education and health sectors, specifically of medicines, equipment, textbooks and school furniture

a) Social Effects

The activities supporting this results area are expected to produce the following social benefits and social risks.

Social Benefits: Aligning budget releases with facility-level needs at RHCs is expected to produce significant equity and service delivery benefits. Under current arrangements, centralized and incremental budgeting has resulted in chronic under-provision of non-salary resources to frontline facilities, disproportionately affecting communities in remote and underserved areas. Facility-level budgeting reform is expected to improve the availability of medicines, medical supplies, and operational resources at RHCs, with direct positive impacts on the quality of primary healthcare, maternal health outcomes, and health service access for women, girls, and persons with disabilities. The rollout of end-to-end digital procurement through EPADS and e-payment systems is expected to reduce procurement delays, minimize leakage, and improve the predictability of resource flows to both health and education facilities, building on progress made under the KP SPEED program.

The implementation of Minimum Functional Standards (MFS) for primary schools provides a structured, evidence-based mechanism for targeting infrastructure investments toward the most underserved institutions. This is expected to benefit girls' education in particular, as MFS criteria explicitly include the availability of boundary walls, separate and private toilets, and adequate sanitation facilities, all of which are documented barriers to girls' enrollment and retention in KP. The SPEED ESSA identified girls' enrollment and safety as priority considerations in school facility investments, and the MFS framework directly addresses these concerns.

Digitization of PTC grant disbursements is expected to improve transparency, reduce leakage, and shorten the delay between budget authorization and fund availability at the school level, with particular benefits for community-level oversight and accountability in rural areas.

These activities are likely to directly benefit the social wellbeing of citizens of KP. Increased use of IFMIS and e-procurement will improve efficiency, reduce rent seeking and processing times, and allow for greater transparency, resulting in improved disbursement of funds and eventually better service delivery for citizens.

Social Risks: Resistance from Mid-Level Functionaries. The delegation of spending authority to RHC facility managers and the digitalization of procurement and payment systems may generate resistance from District Health Officers and other mid-level bureaucrats accustomed to centralized control over resource flows. This risk was documented under the SPEED ESSA has been moderated as guidelines and their implementation was completed and digital systems have been embedded through SPEED implementation. However, the risk of resistance during the extension of these reforms to additional facilities remains.

Equitable access to MFS benefits. MFS-based prioritization may create perceptions of inequity where needs exceed available resources. The allocation formula - based on enrolment, classrooms, and documented facility gaps - reduces discretion and directs conditional grants toward missing facilities. The ESSA does not assume that NMD schools uniformly have weaker infrastructure; instead, implementation should use current school-level data to identify gaps and monitor whether remote and underserved schools benefit equitably. Data quality and accessibility for persons with disabilities should be monitored through Program M&E and stakeholder engagement under PAP Action 5.

PTC grant reporting. DLI 6.1 standardizes and progressively digitizes PTC grant payment and reporting. Electronic transfers are already used for school accounts; the main implementation risk is the capacity of school administrators and PTCs to submit timely, accurate expenditure records, particularly where connectivity or digital literacy is limited. Applicable E&SED PTC guidance and the Facility-Level Budgeting Policy should govern PTC roles, controls, consultation, and reporting, supplemented by training and non-digital support where needed.

Gender and Disability Impacts from Service Disruptions. Any transitional disruption to health and education service inputs during the reform process carries heightened risks for women and girls, who already face significant barriers to access in KP. For health services, disruptions to medicine supply chains or delays in facility budgets during the transition to the new system could reduce the utilization of maternal, reproductive, and child health services. For education, delays in PTC grant disbursements could interrupt non-salary expenditures including the maintenance of toilets and sanitation facilities that are critical for girls' retention.

SEA/SH Risks for Female RHC Staff. The transfer of spending authority directly to RHC facility managers under DLI 4 is designed to reduce, not create, conditions for harassment of female managers. Under the prior arrangement, RHC heads lacked independent operational budgets and depended on DHOs for resource access — a structural vulnerability that enabled DHO pressure and coercion. By directing budgets into RHC accounts under the facility manager's own authority, the reform removes the DHO's resource-based leverage and strengthens the institutional position of female managers. The residual SEA/SH risk in RA2 relates to the broader male-dominated supervisory culture above facility level and the absence of confidential SEA/SH reporting channels in the Health Department, both of which are addressed through the SEA/SH-sensitive grievance arrangements under PAP Action 2.

SEA/SH Risks for Female Teachers and Girl Students. SEA/SH risks for female teachers in remote schools, particularly in the NMDs and underserved districts exist, especially where schools lack adequate enclosures and male community members may have unsupervised access to school premises. Girl students face related risks of harassment during transit to and from school, and in schools without functioning boundary walls or adequate lighting. Under DLI 5, the MFS framework's inclusion of boundary walls, functioning female toilets, and privacy facilities as minimum standards directly addresses the physical conditions that elevate SEA/SH risk for both female teachers and girl students. MFS attainment should therefore be understood not only as an infrastructure improvement target but as a key mitigation measure for SEA/SH risks in the education system.

b) Environmental Effects

The activities supporting this area of results are expected to produce the following environmental benefits and risks:

Biomedical Waste Management (DLI 4) is the most significant environmental concern under RA2. The delegation of non-salary spending authority to individual Rural Health Centers (RHCs) — including IFMIS access for facility-level procurement of medicines, supplies, and small equipment — will increase the volume and diversity of biomedical and pharmaceutical waste generated at the primary care level. While tertiary hospitals in KP operate industrial incinerators and maintain formal contracts with licensed waste handlers, BHUs and RHCs frequently rely on open burning or unlined burial pits for the disposal of sharps, expired pharmaceuticals, soiled dressings, and pathological waste. As facility-level procurement scales up under the Program, the risk of improper waste disposal increases if management systems are not simultaneously strengthened. The KP Management of Hospital Waste Rules provide the applicable regulatory framework, but their enforcement at the BHU and RHC level is currently weak, making this the priority environmental risk for RA2.

School Infrastructure and Environmental Standards (DLI 5) present a secondary but relevant risk. The Minimum Functional Standards (MFS) framework drives improvements to physical school facilities, including construction of toilets, boundary walls, and minor refurbishment works. Any such activity must comply with environmental standards prohibiting toxic building materials — including asbestos-containing components and lead-based paints — and ensuring proper siting of sanitation facilities and solid waste disposal at school premises.

IT Equipment Procurement (DLI 6) carries the same e-waste lifecycle risk identified under RA1. The end-to-end digitization of procurement and payment systems in health and education will involve the deployment of tablets, scanners, and networked devices at facility and district level, all of which will eventually require environmentally sound decommissioning.

On the benefits side, **solar energy installation under DLI 5** is the most noteworthy positive environmental effect across the entire Program. A key MFS criterion is functional electricity access, and the Program supports solar panel installations as the preferred solution for off-grid schools. This directly displaces diesel generator use in remote communities, reduces carbon emissions, and contributes measurable clean energy co-benefits. Workshop participants specifically recommended that the Program track and publicly report the number of schools transitioning from diesel to solar as an environmental co-benefit indicator.

C. Results Area 3 - Improved Statistical and Data Landscape for Policymaking and Institutionalized Use

The DLIs under Results Area 3 are listed below:

- DLI 7: Improved evidence-based decision-making in health and education through institutionalized use of integrated statistical, administrative, and spatial data
- DLI 8: Modernized economic, fiscal, and business statistics for decision-making are available

a) Social Effects

The activities supporting this results area are expected to produce the following social benefits and social risks:

Social Benefits: The establishment of the KPDDH as a central government-wide data integration platform, and the formalization of inter-agency data-sharing protocols, are expected to generate significant benefits for evidence-based policymaking and public financial management. Integration of health and education administrative data with fiscal and socioeconomic datasets will make existing inequalities across districts, gender, income levels, and disability status more visible, enabling more targeted policy responses and budget allocations. The elimination of ghost facilities and ghost workers from government payrolls through data integration is expected to generate fiscal savings that can be redirected to service delivery. Establishment of the Statistical Business Register (SBR) will improve the Government of KP's understanding of the structure of the provincial economy, supporting more progressive and equitable tax policy design.

Social Risks: Data Privacy and Cybersecurity in Inter-Agency Data Sharing. The KPDDH will aggregate sensitive personal, financial, and administrative data from multiple government agencies through inter-departmental data sharing protocols. Currently these data exist in provincial admin databases with weak governance protocols in place. This concentration of data introduces significant risks of unauthorized access, data breach, and misuse, risks that are heightened where health data is involved. The integration of health administrative data into a cross-departmental platform even in anonymized or aggregated form requires robust access controls, clear data classification protocols, and explicit restrictions on secondary use. In the absence of a comprehensive federal data protection legislation in Pakistan, these safeguards must be established through provincial mandates and contractual arrangements with participating agencies. The Program seeks to augment the Data Governance Framework (DGF) under DLI 7 through specific and water tight guidelines on data privacy and access protocols to ensure confidentiality and reduce risk of harm from potential data breach. These will be further codified through inter-agency data sharing agreements. Strong enforcement and compliance across all contributing agencies will be required to reduce the risk of the unauthorized exposure of sensitive personal data, including health records, at scale.

Risk of Exclusion of Underserved Areas from Data-Driven Resource Allocation. A central objective of Results Area 3 is to institutionalize the use of integrated statistical, administrative, fiscal, and spatial data in KP's Annual Development Program (ADP) planning, sector prioritization, and resource allocation for health and education. The Program will develop guidelines, train relevant officers, and provide incentives to institutionalize the use of integrated statistical, administrative, fiscal, and spatial data in KP's Annual Development Program (ADP) planning and sector prioritization, and resource allocation for health and education. This is a significant positive ambition, but it carries a structural risk of reproducing or deepening existing geographic and social inequities if equity principles are not explicitly embedded in the guidelines, training, and incentive frameworks that operationalize this data use. Integrated data systems, if populated primarily by administrative records from better-resourced districts with stronger reporting systems, will systematically underrepresent the actual needs of facilities and communities in underserved areas including the NMDs and backward districts. If ADP planning algorithms and sector prioritization tools are calibrated primarily on data volume and data quality which will be highest in urban and better-resourced districts, resource allocation decisions will reflect existing administrative capacity rather than actual deprivation. The guidelines and training for relevant officers on the use of KPDDH data for ADP planning must explicitly require equity-weighted analysis, including minimum data quality standards for underserved areas, mandatory disaggregation of indicators by district, gender, and disability status, and the use of deprivation indices to correct for data gaps in marginalized communities. Without these provisions, the institutionalization of data-driven policymaking under RA3 risks becoming a mechanism that advantages already well-served areas at the expense of those most in need.

b) Environmental Effects

The activities supporting this results area are expected to produce the following environmental benefits and risks.

E-Waste from KPDDH Infrastructure (DLI 7) is the primary environmental risk under RA3. The establishment and operationalization of the KP Development Data Hub (KPDDH) — a BoS-managed integrated data platform consolidating administrative, statistical, fiscal, and spatial data from multiple line departments — will require procurement of server infrastructure, networking equipment, data storage arrays, and workstations. The Bureau of Statistics currently has no independent internal e-waste management protocols and has not engaged any licensed disposal vendors for IT asset decommissioning. As the KPDDH scales over the Program period, the cumulative volume of hardware requiring eventual decommissioning will be significant, and a formal cradle-to-grave asset management framework must be established from the outset rather than retrofitted later.

Energy Consumption of Data Infrastructure (DLI 7) is the second environmental concern. Expanding data center capacity at P&D Department or BoS premises to host the KPDDH will increase electricity consumption. In a province where grid reliability remains inconsistent and backup power commonly relies on diesel generators; increased server loads carry an associated carbon and air quality footprint. Climate-resilient engineering considerations — including energy-efficient cooling systems, server virtualization, and renewable energy supply for data infrastructure where feasible — should be incorporated into the KPDDH technical design from the outset.

Field Operations and Enumerator Safety (DLI 8) represent a more limited but noteworthy risk. The modernization of economic, fiscal, and business statistics involves field surveys and data collection exercises, including operations in Newly Merged Districts where residual security conditions apply. The BoS has established Security Risk Assessment protocols for NMD operations, which represent a sound existing system. Beyond minor consumable waste associated with field data collection activities, no significant additional environmental footprint is associated with this DLI.

On the benefits side, the **KPDDH's integration of spatial and environmental data into provincial planning systems** is the standout positive environmental effect under RA3, and arguably the most significant indirect environmental benefit across the entire Program. Over time, embedding environmental and spatial datasets into routine government decision-making will improve KP's capacity for evidence-based natural resource management, land use planning, and climate adaptation — generating positive environmental externalities that extend well beyond the Program's direct scope and disbursement period.

IV. ASSESSMENT OF ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEMS AND IMPLEMENTATION CAPACITY

A. Introduction

As noted earlier, the PforR Policy requires the proposed Program to operate within an adequate environmental and social management system that can manage environmental and social effects (particularly adverse impacts and risks) identified during the ESSA process. This includes (a) an adequate legal and regulatory framework and institutional setting to guide environmental and social impact assessment and the management of environmental and social effects, and (b) adequate institutional capacity to effectively implement the requirements of the system.

This section assesses whether the Program's environmental and social management systems are consistent with the core principles and key planning elements contained in the PforR Policy and whether the involved institutions have the requisite capacity to implement these systems' requirements. Both elements (e.g., Program systems and capacity) are necessary towards ensuring that the environmental and social effects identified in Section III are effectively managed. Through both analyses, the ESSA team has identified gaps in both areas, which are addressed the inputs to the Program Action Plan.

A *Program system* is constituted by the rules and "arrangements within a Program for managing environmental and social effects,"[7] including "institutional, organizational, and procedural considerations that are relevant to environmental and social management"[8] and that provide "authority" to those institutions involved in the Program "to achieve to achieve environmental and social objectives against the range of environmental and social impacts that may be associated with the Program."[9] This includes existing laws, policies, rules, regulations, procedures, and implementing guidelines, etc. that are applicable to the Program or the management of its environmental and social effects. It also includes inter-agency coordination arrangements if there are shared implementation responsibilities in practice.[10]

Program capacity is the "organizational capacity" the institutions authorized to undertake environmental and social management actions to achieve effectively "environmental and social objectives against the range of environmental and social impacts that may be associated with the Program."[11] This ESSA has examined the adequacy of such capacity by considering, among other things, the following factors:

i. Adequacy of human resources (including in terms of training and experience), budget, and other implementation resources allocated to the institutions.

ii. The adequacy of institutional organization and the division of labor among institutions.

iii. Effectiveness of interagency coordination arrangements where multiple agencies or jurisdictions are involved; and

7 Drawn from *Program-for-Results Financing: Interim Guidance Notes on Staff Assessments*, "Chapter Four: Environmental and Social Systems Assessment Interim Guidance Note," Page 77, paragraph 1.
8 Ibid, page 82, paragraph 12.
9 Ibid., Page 77, paragraph 2, and page 82 paragraph 12.
10 Based "Chapter Four: Environmental and Social Systems Assessment Interim Guidance Note," *Program-for-Results Financing: Interim Guidance Notes on Staff Assessments*.
11 Ibid., Page 77, paragraph 2, and page 82 paragraph 12.

iv. The degree to which the institutions can demonstrate prior experience in effectively managing environmental and social effects in the context in projects or programs of similar type and magnitude.

This ESSA examines and discusses only those aspects of the Proposed Program's environmental and social management systems and related capacity that the ESSA Team found to be relevant considering its identified environmental and social effects. This section provides an assessment of the Program's implementing agencies E&S capacity, as well as the assessed gaps with each of the core principles and key planning elements.

B. Capacity Assessment of the Implementing Agencies

Institutional E&S capacity across the seven assessed implementing agencies ranges from low to moderate. However, most agencies possess established administrative systems, prior experience implementing World Bank-supported reforms, and sector-specific accountability mechanisms that provide a foundation for managing Program-related environmental and social risks, subject to the implementation of the mitigation measures identified in the Program Action Plan. The Finance Department's PMU represents the strongest existing institutional platform for program-level E&S coordination, drawing on accumulated experience from KPRMP and SPEED. E&SED stands out for having the most developed GRM architecture among all implementing agencies, and the Health Department's community oversight structures through PCMCs and the LHW network provide meaningful social accountability mechanisms at the facility level. BoR has made measurable progress in digital systems and grievance architecture since KPRMP. BoS has well-developed NMD operational protocols that are not matched by any other agency assessed.

ETNCD presents the most significant institutional risk areas for the Program given its frontline enforcement role in UIPT revaluation, recent documented cases of field officer misconduct, limited female representation in its workforce, and barriers affecting accessibility of the appeals process for low-income and low-literate citizens.

A particularly acute and systemic gap across the revenue-side agencies (KPRA and ETNCD) is the near-total absence of women in operational and frontline roles. The KPRMP gender vulnerability study confirms that this institutional gender imbalance directly translates into barriers for women taxpayers including sociocultural constraints to interacting with male officials, absence of gender-sensitive outreach, and near-universal ignorance of existing legal protections such as the Widow's UIPT Exemption in the study sample. These gender-related institutional gaps may constrain equitable access to Program-supported tax administration reforms and are relevant to Core Principle 5 relating to vulnerable groups and equitable access to Program benefits. The gaps require targeted mitigation measures through the Program Action Plan.

Systemic gaps common to all seven agencies include: the absence of dedicated E&S safeguards specialists; inadequate or absent e-waste management procedures; low gender representation at senior management levels; and limited or no program-specific GRM mechanisms.

a) Finance Department

The Finance Department is the lead coordinating agency for KP PRID and hosts the Program Management Unit (PMU), which is responsible for day-to-day program coordination, fiduciary management, monitoring and evaluation, and E&S risk oversight. The FD is directly responsible for DLI 1 (aggregate own-source tax revenue) and has cross-cutting coordination responsibility across all three Results Areas.

The FD does not have dedicated E&S safeguards specialists embedded within its core departmental structure. However, it draws on the Shared Services Unit (SSU) established under KPRMP and continued under SPEED, which provides functions for E&S, procurement, fiduciary, and M&E expertise for World Bank-financed programs. The SSU is a critical institutional asset for KP PRID, as it will be functioning as new program's PMU, carries institutional memory from both predecessor programs and has prior experience managing program-level E&S risks. The Environmental Specialist position within the SSU was vacant at the time of that assessment and remained vacant for the entirety of SPEED. The functions for environmental management were provided by the Social Specialist, and more recently by a consultancy firm hired to deliver environment specific program actions from the SPEED ESSA. However, it may be noted that this firm was hired towards the program closing after a delay of nearly two years. Due to this capacity gap, the E&S rating for SPEED was downgraded from Satisfactory to Moderately Unsatisfactory.

The FD does not maintain standalone internal E&S or occupational health and safety (OHS) policies; instead, it acts as a regulatory gatekeeper, enforcing provincial statutory frameworks and centralized guidelines. Environmental regulation is coordinated through the KP Environmental Protection Agency (KP-EPA), while broader social policy is aligned with the Planning and Development Department.

On gender and social inclusion, the FD actively conducts Gender-Responsive Budgeting (GRB) and Gender Budget Tagging (GBT). These practices provide a useful institutional foundation for monitoring distributional and gender-related outcomes associated with Program-supported reforms However, as reported by FD, women represent less than 5% of total FD staff, which may limit institutional diversity and gender-responsive oversight capacity.

On e-waste, the FD's current practice is to condemn and auction obsolete IT equipment through KPPRA disposal rules without dedicated environmental safeguards. Dead-stock warehouses lack environmental controls for hazardous materials such as lithium-ion batteries and mercury-containing components. This gap was identified under both KPRMP and SPEED and requires resolution through the Program Action Plan.

Grievance Redress: The FD does not have a dedicated program-specific grievance redress mechanism (GRM). It relies on the Pakistan Citizen's Portal, provincial grievance portal 'EKHTYAR' and the Provincial Ombudsman for citizen complaints. Under KPRMP and SPEED, any program related grievance received through these portals or directly the program is directed to the program Grievance Redressal Committees (GRCs) for resolution and tracking. The SPEED ESSA recommended the assessment of available grievance portals for accessibility, inclusion, and timely resolution of grievances. At the time of this ESSA, the study had not been completed yet.

Key Capacity Gaps

- Absence of dedicated E&S specialists within the FD's core structure; reliance on SSU, whose E&S staffing has been subject to vacancies.
- No department-specific e-waste management procedures; current disposal is through auction without environmental provisions.
- Reliance on provincial-level portals that are not tailored to adequately report on program-specific complaints.
- Low gender representation in FD staffing, which may constrain gender-responsive oversight and implementation support.

b) Khyber Pakhtunkhwa Revenue Authority (KPRA)

KPRA is the primary agency responsible for General Sales Tax on Services (GSTS) administration in KP and is a key implementing agency for Results Area 1. KPRA is responsible for DLI 2 (active GSTS filers) and DLI 3 (risk-based audit and tax intelligence capacity). KPRA was established under the KP Finance Act 2013 as a corporate entity with relative autonomy, and has received technical assistance from USAID, GIZ, and the World Bank-administered Governance and Policy Project (GPP) under KPRMP.

KPRA does not have dedicated E&S safeguards specialists or formal E&S management systems embedded in its organizational structure. Social and environmental risk management is handled on an ad hoc basis by regular operational staff rather than through a structured management system. Under KPRMP, KPRA benefited from embedded technical assistance including IT professionals and reform consultants which partially compensated for these structural gaps.

KPRA has mapped climate risks to its operations, particularly the risk of floods and extreme heat disrupting tax collection, and has integrated cloud-backed electronic filing as a resilience measure. This demonstrates an emerging risk awareness culture, though it has not yet extended systematically to social risk management.

On e-waste, the KPRMP ESSA found that KPRA's disposal practices were "environmentally unfriendly," consisting of storing obsolete equipment and periodically auctioning it without environmental safeguards or engagement with KP-EPA-licensed e-waste vendors. The questionnaire response for KP PRID confirms that KPRA's disposal remains "conventional" (through auction) and does not currently involve licensed e-waste handlers. This is a persistent gap from the KPRMP era that requires resolution.

On gender and social inclusion, KPRA follows the government's open merit system with the mandatory 10% gender recruitment quota, but the KPRMP vulnerability analysis found that KPRA has only 9 female staff across all four of its offices, a figure that starkly illustrates the gap between the nominal recruitment quota and actual gender diversity in the workforce. No female staff are deployed at all Tax Facilitation Centers (TFCs), potentially creating barriers for women taxpayers who may face sociocultural constraints in accessing services delivered exclusively by male staff.

There are no gender-sensitive provisions within KPRA's tax administration: no special incentives or graduated registration pathways for women-owned businesses, no Pashto-language or simplified e-filing interfaces, and no targeted outreach programs for women taxpayers. The KPRMP vulnerability study confirmed that there are currently no specific incentives for women-owned businesses to register for GSTS, and that 64% of women GSTS payers reported inadequate information about their tax requirements. Only 7% of GSTS survey respondents were aware of KPRA's grievance redress mechanism indicating that the GRM, while formally functional, is effectively inaccessible to the vast majority of women taxpayers due to lack of communication. In the KPRMP stakeholder consultations, the Women Chamber of Commerce formally requested special GST policy accommodations for women entrepreneurs during KPRMP, which is yet to materialize. These limitations may reduce the accessibility of Program-supported tax administration reforms for women-owned businesses and other vulnerable taxpayer groups as explained in greater detail in Section III.

On digital inclusion, KPRA facilitates taxpayers with low digital literacy or disabilities through in-person support at offices and applies a reduced GST rate for small informal businesses. These are useful but limited accommodations given the scale of digital exclusion risk across KP's rural and remote areas.

Grievance Redressal: KPRA has a functioning GRM through which complaints are accepted via WhatsApp, email, and written applications and assigned to a Public Relations Officer (PRO) as focal person. The authority receives approximately 30–35 complaints per month with a resolution timeline of one to two weeks. Anti-corruption protections are governed by the Civil Servants Efficiency and Disciplinary (E&D) Rules 2020, and the Directorate of Inquiry and Investigation handles priority corruption complaints. However, the KPRMP ESSA identified a lack of integration between KPRA's departmental GRM and the central provincial online GRM, increasing the risk of complaints being delayed or lost. This integration gap persist for KP PRID and is also relevant for handling and reporting program specific complaints.

Key Capacity Gaps

- No dedicated E&S safeguards staffing or formal social risk management system.
- Persistent e-waste management gap: disposal through auction without KP-EPA-licensed vendors.
- Critically low female staffing: only 9 female staff across all four KPRA offices; no female staff at Tax Facilitation Centers.
- Limited gender-responsive features within tax administration systems, including the absence of targeted outreach and simplified access pathways for women-owned businesses; no Pashto-language or simplified e-filing interfaces).
- GRM awareness extremely low (7% of women GSTS respondents aware of GRM); GRM not integrated with provincial-level system.
- E-filing interfaces available only in English, limiting access for low-literacy and non-English-speaking taxpayers.

c) Board of Revenue (BOR)

The Board of Revenue is the controlling authority for land administration in KP, responsible for the maintenance of land records, land revenue collection, and serving as the highest court of appeal for revenue cases. Under KP PRID, BoR is a key implementing agency for Results Area 1, particularly in relation to the digitization of land and property records underpinning UIPT reform and AIT administration, as well as land record accuracy for the GIS mapping of properties. BoR also has relevance to the risk of displacement of non-titleholders from public lands under asset monetization activities.

The BoR does not feature a permanent, standard designated unit or officer solely dedicated to environmental and social issues. Although land acquisition is not anticipated under the Program, the Board of Revenue continues to operate under the Land Acquisition Act 1894, which does not provide equivalent protections for non-titleholders and vulnerable occupants. This legal context is relevant given the Program's support for reforms associated with land administration and potential future asset management activities.

The BoR questionnaire response for KP PRID indicates significant progress in digital systems, with 75–80% of core services now on digital channels. Robust quality assurance mechanisms are in place for land record digitization, including multi-tier reconciliation (Patwari, Girdawar, Tehsildar), public review loops, and the formal "Fard Badar" protocol for correcting data entry errors. GIS-based satellite imagery is used to resolve boundary disputes, including in the NMDs. These are meaningful institutional improvements since KPRMP.

On e-waste, the BoR reports that disposal of obsolete IT equipment follows KPPRA disposal rules and coordinates with KP-EPA an improvement over the practices documented under KPRMP, which described disposal as "environmentally unfriendly." The BoR has also initiated cloud-backed digitization of paper records as a climate resilience measure against GLOF-related floods.

On gender and social inclusion, the BoR is heavily male dominated, with women representing less than 5% of total staff. A mandatory 10% gender quota applies to initial recruitments. The BoR enforces the KP Enforcement of Women's Property Rights Act, providing women with a 15-day resolution pathway for property rights complaints directly through the Provincial Women's Ombudsperson, a meaningful institutional protection in the context of land record reform. Service Delivery Centers (SDCs) provide assisted transaction services for low-literacy and disabled users, and NADRA e-Sahulat kiosks extend access to village-level rural communities. Staff-citizen interactions are conducted in local languages including Pashto and Hindko, which is particularly important for accessibility in rural and NMD areas.

Grievance Redress: The BoR has a multi-layered grievance system: three-member inquiry committees at district offices (with mandatory female representation) for internal complaints; the KP Citizen's Portal for external complaints (15–22 days resolution); the Provincial Ombudsman for maladministration; KP Ombudsperson for Women’s Property Rights; Revenue Courts for ownership disputes; and local Alternative Dispute Resolution committees for low-cost mediation. The effectiveness and accessibility of these mechanisms, particularly for NMD communities with limited access to formal justice systems, should be monitored under KP PRID.

Key Capacity Gaps

- No designated E&S capacity or staffing
- Existing legal frameworks applicable to land administration provide limited protections for non-titleholders and vulnerable occupants compared to international good practice.
- Despite improvements, gender representation in staffing remains very low (under 5% total staff).

d) Excise, Taxation and Narcotics Control Department (ETNCD)

The ETNCD is responsible for collection of the Urban Immovable Property Tax (UIPT), Professional Tax, and Vehicle Registration in KP. Under KP PRID, ETNCD is a key implementing agency under Results Area 1, responsible for UIPT revaluation and base expansion activities underpinning DLI 1 and DLI 2. ETNCD also carries responsibility for the social risks associated with UIPT revaluation particularly its potential impacts on low-income property holders, slum dwellers, and small traders.

Social and environmental risk management at ETNCD is handled entirely through reliance on external agencies: the KP-EPA for environmental matters and the KP Planning and Development Department for social policy guidelines. The KPRMP ESSA found that ETNCD understood the public implications of its operations but had limited human resource capacity, infrastructure, and mandate to safeguard social development issues, and no formal social management unit. The KP PRID questionnaire confirms this structural gap remains unchanged.

ETNCD's recent track record includes documented misconduct by field officers, including confirmed bribery cases (Pir Zakori Bridge Extortion Case, February 2026) resulting in suspensions, dismissals, and criminal prosecution through the KP Anti-Corruption Establishment. These incidents highlight vulnerabilities in field-level accountability systems that are relevant given ETNCD's frontline enforcement role in UIPT revaluation. The department holds dedicated public hearings by the Secretary every Wednesday as a transparency measure; however, additional measures may be required to strengthen accountability and oversight of field-level enforcement activities.

On UIPT social protection, the ETNCD applies a "Locality Factor" reducing rates for Category C (low-income) areas, and residential buildings on plots up to 5 marlas are completely exempt if owner-occupied. Street vendors and temporary stalls are exempt as non-permanent property holders.

On e-waste, ETNCD has no department-specific e-waste policy and follows provincial frameworks (KPPRA and the KP Environmental Protection Act 2014) without dedicated internal procedures. The KPRMP ESSA identified this gap; it has not been resolved.

On gender, the KPRMP vulnerability study found that ETNCD has only 6 female staff out of a total workforce of approximately 1,300 employees, a ratio of less than 0.5%. This is the lowest gender representation of any implementing agency assessed in this ESSA and may create significant barriers to women's access to UIPT-related services. Women property taxpayers who already face sociocultural constraints to engaging with male officials at government offices have extremely limited access to female staff within ETNCD, particularly in frontline service delivery roles. The department maintains an Internal Inquiry Committee for workplace harassment under the KP Anti-Harassment Policy Act 2010, but the structural absence of women in the workforce limits the practical effectiveness of this mechanism.

The vulnerability study also found that ETNCD does not maintain gender-disaggregated data on UIPT taxpayers, and that contact details of women property taxpayers in its database are frequently outdated or missing making it impossible to design or monitor targeted outreach to women. The Widow's Exemption which legally exempts widows from UIPT was found to be almost entirely unknown among eligible women, reflecting a systemic failure of ETNCD's taxpayer communication and outreach systems. The study confirmed that 81% of women property taxpayers reported inadequate information about UIPT requirements the highest information deficit of any group surveyed.

Grievance Redress: ETNCD does not have its own separate GRM and relies entirely on the provincial Performance Management and Reformation Unit (PMRU) and the KP Citizen's Portal. Complaints are automatically escalated if ignored to the Division Commissioner after 15 days and the Chief Secretary after 22 days. Legal appeals on property assessments follow a two-tiered route through the Assessing Authority/Director Excise and then the Provincial Appellate Tribunal. However, structural barriers, complex legal terminology and court-fee stamp requirements make these appeals process effectively inaccessible to low-literate and low-income property holders, a gap noted in the questionnaire response.

Key Capacity Gaps

- No dedicated E&S social or environmental management unit; reliance entirely on external agencies.
- Recent documented misconduct cases highlight weaknesses in field-level accountability and oversight systems relevant to UIPT implementation.
- Legal appeals process for UIPT assessment challenges is inaccessible for low-literate and low-income citizens.
- No department-specific e-waste management procedures.
- Critically low female staffing: only 6 female staff out of approximately 1,300 total (less than 0.5%); no dedicated female staff at any frontline office.
- Information deficit: 81% of women property taxpayers report inadequate knowledge of UIPT requirements.
- GRM entirely dependent on provincial portals; no formal departmental GRM; legal appeals process structurally inaccessible to low-literate and low-income property holders.

e) Elementary and Secondary Education Department (E&SED)

The E&SED is the largest provincial department in KP, managing over 27,000 public schools and approximately 187,733 employees. Under KP PRID, E&SED is the primary implementing agency for Results Area 2 activities related to education, specifically DLI 5 (share of primary schools meeting MFS) and DLI 6 (digitization of PTC grant disbursements and reporting). E&SED is responsible for ensuring that school-level infrastructure meets MFS thresholds and that community-based financial management through PTCs is modernized and made accountable.

E&SED does not have a permanent, internal Environmental and Social Management Unit (ESMU). E&S safeguards are managed through a fragmented system of ad-hoc project units and infrastructure-delivery line agencies.

E&SED tracks MFS compliance across its school network through the KP Education Monitoring Authority (KPEMA), using an Independent Monitoring Unit (IMU) with Data Collection and Monitoring Assistants (DCMAs) who conduct monthly school visits via the SQMI app to track teacher attendance and facility availability. This monitoring infrastructure is a meaningful institutional asset for verifying DLI 5 results. Current MFS baselines as reported in the questionnaire are functional female toilets in girls' schools at 93–94% (overall 76.3%); safe drinking water at 72–83%; boundary walls at approximately 91.75%; and electricity at 50–76%, with electricity identified as the most significant bottleneck to MFS attainment. These figures suggest that electricity access remains the most significant infrastructure constraint affecting achievement of MFS targets.

PTCs and school principals manage school-level grant accounts under the Facility-Level Budgeting Policy and applicable E&SED PTC guidance. These arrangements are directly relevant to DLI 6.1 and should be used to define PTC roles, financial controls, community participation, grievance handling, and reporting requirements.

On gender and social inclusion, the enrollment gap between boys and girls is acute: while the primary Gross Enrollment Rate (GER) for girls is approximately 70%, it collapses to under 30% at the secondary level, and in the NMDs secondary survival rates often drop to single digits. E&SED operates a 70:30 budget ratio favoring girls' infrastructure and is implementing Double Shift Schools (DSS) as a supply-side intervention. Girls' Community Schools (GCS) (over 1700 schools established in remote areas) serve approximately 99,000 students, 65% of whom are girls. A Special Initiative for Kohistan and Tor Ghar focus on improving enrollment through Alternate Learning Pathways. On disability inclusion, E&SED is moving toward a Universal Design approach, requiring new constructions to include step-free entrances, ramps, and wheelchair-accessible toilets, though implementation across the existing school stock remains limited.

Grievance Redress: E&SED is notably the only implementing agency assessed in this ESSA with a dedicated formal GRM: a complaints hotline and a section for complaints headed by a section officer. PTCs are also tasked with receiving and resolving grievances at the individual school level. Digital, telephonic, and community-led channels exist for parents and staff. The department applies gender-segregated processing streams and legal anti-harassment committees to ensure women can report issues without social friction. Teachers are protected by the KP Occupational Safety and Health Act, including a Right of Refusal to work in dangerously deteriorated buildings. These arrangements represent the most developed GRM architecture among the implementing agencies assessed to date.

Key Capacity Gaps

- No permanent E&S management unit; E&S management fragmented across ad-hoc project units.
- Electricity gap (50–76% of schools) is the primary remaining bottleneck to MFS attainment and should be explicitly monitored under DLI 5.
- No dedicated e-waste management procedures for IT equipment deployed for PTC digitization.
- Senior management gender representation low (5–9% at mid-senior level, under 5% at top tier).

f) Health Department

The Health Department is the primary implementing agency for Results Area 2 activities related to health, specifically DLI 4 (facility-level budget utilization at Rural Health Centers). The department is responsible for health policy, reforms, planning, financing, and budgeting across a network spanning Medical Teaching Institutions (MTIs) down to Basic Health Units (BHUs) and RHCs. Under KP PRID, it is responsible for implementing the shift to facility-level budgeting at RHCs and for demonstrating improved budget utilization at the facility level as a measure of service delivery accountability.

The Health Department does not have a dedicated, permanent Environmental and Social Management Unit (ESMU). E&S responsibilities are fulfilled through Project Management Units (PMUs) established for specific donor-funded initiatives such as the KP Human Capital Investment Project, National Health Support Programme, the KP Healthcare Commission (KPHC), and the Directorate General Health Services. A Social and Behavior Change (SBC) Cell was established in late 2024 with UNICEF support, integrating public health communication into departmental operations. The department actively engages with KP-EPA for environmental compliance, joint inspections, and legal oversight.

On facility-level budgeting, the department has already moved toward a decentralized model, assigning every BHU and RHC a unique Cost Center code allowing for Direct Funds Transfer rather than pooling at the District Health Office, a structural institutional reform that directly supports the achievement of DLI 4. Over 800 Primary Care Management Committees (PCMCs) provide community-level oversight of facility budgets and provider behavior. Tiered hardship allowances for medical officers in remote or volatile peripheries support human resource retention in underserved areas, a critical prerequisite for meaningful facility-level budget utilization.

On environmental management, the department is guided by the KP Management of Hospital Waste Rules, with a standardized color-coded waste segregation system. However, standards are not uniform across the facility network: tertiary and district hospitals use industrial dual-chamber incinerators (850°C–1100°C), while primary care facilities such as BHUs and RHCs in rural areas rely on on-site secured pits or a Hub and Spoke clustering model for waste transport. Critical gaps exist at the primary care level, including lack of waste storage, reliance on unlined burial or open burning in remote facilities, and irregular waste transport. Given that KP PRID's DLI 4 focuses specifically on RHCs, which are primary care facilities, these environmental gaps in biomedical waste management are directly relevant to program implementation.

On e-waste, the SPEED ESSA found that the Health Department lacks awareness and formal procedures for environmentally safe e-waste disposal, with discarded ICT equipment typically stored and auctioned without tracking. This gap persists under KP PRID and should be addressed in the Program Action Plan.

On gender and social inclusion, the Health Department's workforce of approximately 69,400 staff is 38.5% female, primarily concentrated in frontline community cadres such as Lady Health Workers (LHWs). At professional level (BPS-17+), only 15–18% of staff are women, and at senior management (BPS-20+), this falls to only 1–2% female. The LHW network is mandated to conduct monthly home visits to bridge the gap between rural households and formal health centers, providing a critical last-mile outreach mechanism for women who cannot access RHCs due to distance, cost, or cultural barriers. MFS criteria for RHCs include physical accessibility for persons with disabilities (ramps, handrails) and segregated functional female toilets with privacy audits, provisions that directly address access barriers for women and girls. A mandatory 24/7 Basic Emergency Obstetric and Newborn Care (BEmONC) requirement is incorporated into RHC MFS definitions.

Grievance Redress: Patient feedback is managed through internal facility desks, the KP Healthcare Commission for escalations, and centralized digital portals including the Pakistan Citizen Portal. Specific healthcare programs like the Sehat Card Plus and foreign-funded initiatives like the World Bank's KP Human Capital Investment Project run synchronized, dedicated complaint portals. Worker safety concerns can be reported via the KP Occupational Safety and Health Act 2022 and the Protection Against Harassment of Women at the Workplace Act; Internal Inquiry Committees must include at least one woman. Over 800 PCMCs provide community oversight of facility budgets and provider behavior.

Key Capacity Gaps

- No permanent E&S management unit; E&S responsibilities fragmented across PMUs and external regulators.
- Biomedical waste management standards not uniform across the facility network; critical gaps in rural primary care facilities (BHUs and RHCs) are directly relevant to DLI 4 implementation.
- No centralized departmental GRM.
- No dedicated e-waste management procedures for ICT equipment.
- Senior management gender representation critically low (1–2% female at BPS-20+).
- Human resource vacancies at RHCs in remote and NMD areas risk undermining facility-level budget utilization targets under DLI 4.

g) KP Bureau of Statistics (BoS)

The KP Bureau of Statistics is the primary implementing agency for Results Area 3. It is legally mandated to act as the provincial statistical authority but is currently constrained by limited autonomy with the Additional Chief Secretary (ACS) of the Planning and Development Department functioning as the Provincial Statistical Authority in practice. Under KP PRID, BoS is responsible for DLI 7 (institutionalized use of integrated data through the KPDDH) and DLI 8 (modernized economic, fiscal, and business statistics). The BoS will establish and manage the KPDDH as a central data integration platform, establish a Quality Assurance (QA) Unit for systematic data validation, and strengthen the production of economic statistics including the development of a Statistical Business Register (SBR).

The BoS does not maintain permanent, in-house Environmental and Social Management Officers. Its staffing structure is focused on data professionals rather than safeguard specialists. E&S management relies entirely on centralized provincial statutory rules and codes managed by the KP Planning and Development Department. The KP PRID PAD identifies several structural weaknesses: vacancies in key technical positions, weak survey and data integration capacity, outdated hardware and software, fragile financial management capacity due to high staff turnover, and the absence of institutionalized inter-agency coordination mechanisms.

The BoS has extensive experience operating in the NMDs, which is a meaningful institutional asset. Its NMD management strategy includes: Security Risk Assessments (SRAs) and coordination with KP Police for security escort; a Local Enumerator Strategy, recruiting youth from specific tribal agencies being surveyed to mitigate insider-outsider friction; engagement of community elders (Maliks) as community facilitators; and gender-matched pairing for female data collectors to respect cultural norms around gender segregation. These are well-developed operational protocols that go beyond what most provincial agencies have established for NMD engagement.

On data disaggregation, BoS data collection tools are designed to capture data disaggregated by sex, age, and geography, and survey instruments are translated into Pashto and Urdu. However, capturing comprehensive disability status data remains an institutional challenge. The KPDDH is required under DLR 7.4 to provide key indicators disaggregated by sex and age group on its public-facing portal. Data is anonymized or aggregated before public disclosure, and cybersecurity protocols are managed in coordination with the KP Information Technology Board. In the absence of an omnibus federal data protection act, provincial mandates and structural cybersecurity protocols serve as the primary data protection framework, a gap that remains legally significant.

On e-waste, the BoS does not have independent internal protocols for e-waste disposal. It adheres to centralized provincial statutory rules managed by the KP Planning and Development Department, without dedicated internal procedures. Given the significant IT equipment procurement associated with establishing the KPDDH and modernizing statistical systems under RA3, this gap requires attention in the Program Action Plan.

Grievance Redress: The BoS does not have a standalone internal complaint desk. Grievances are handled through integrated provincial and federal citizen portals and are subject to Right to Information (RTI) laws. Stakeholder engagement is structured through the Provincial Statistical Council and representative surveys involving civil society organizations and academic institutions. The absence of a program-specific GRM should be addressed through the program-level mechanism to be established under KP PRID.

Key Capacity Gaps

- No dedicated E&S safeguards staffing.
- Pakistan does not yet have a comprehensive federal data protection framework applicable across all sectors, and data governance currently relies primarily on provincial mandates and institutional cybersecurity arrangements.
- Disability data capture remains inadequate in standard survey instruments.
- No dedicated e-waste management procedures for significant IT equipment procurement under RA3.
- No standalone internal GRM; reliance on provincial portals.
- Female staffing at 5–10% overall, declining sharply at senior levels (BPS-19+).

KP PRID builds on institutional experience from KPRMP and KP SPEED, including the Finance Department's E&S coordination experience, E&SED's GRM, BoR's digital systems, BoS field protocols, and Health Department community networks. Remaining gaps - E&S staffing, uneven GRM coverage, integrity and SEA/SH risks, and weak waste-management procedures - are addressed through the PAP.

C. Core Principle 1 - Environmental and Social Management

Core Principle 1 requires that program systems operate with transparency and provide for informed participation by stakeholders in the assessment, development, implementation, and supervision of programs. The Government of KP has conducted formal stakeholder consultations at the provincial level for the PFM-DRM Reform Strategy in August 2026. Program investments are approved by the Provincial Assembly as part of the annual budget process providing a degree of legislative accountability and are publicly disclosed on the websites of respective implementing agencies. The KP government maintains an online portal providing public access to information on the Annual Development Plan, the Citizens Budget, tenders published by the Government of KP, administrative departments, educational institutions, and employment schemes, constituting an adequate framework for information dissemination and disclosure. The KP Right to Information Act 2013 further reinforces the transparency framework by mandating designated Public Information Officers (PIOs) in all government departments to liaise between citizens and institutions, giving citizens a statutory right of access to government-held information relevant to program activities.

At the provincial level, the KP Citizen Portal and the EKTHYAR portal function as province-wide complaint and feedback mechanisms accessible to all citizens. At the agency level, BoR, KPRA, E&SED, and the Health Department maintain internal grievance redress. However, the Finance Department, ETNCD, and BoS do not have any department-specific grievance mechanisms, creating a gap in the overall GRM architecture. ETNCD's absence of a dedicated GRM is particularly significant given its frontline enforcement role in UIPT revaluation, where the risk of extractive or coercive behavior by field officers is highest and the need for an accessible, confidential, and rapid complaint resolution mechanism is most acute. Against Core Principle 1, the existing systems provide a functional but incomplete framework for transparency and participation: information disclosure is adequate, the RTI framework is legally sound, and several agencies maintain functional GRMs. However, the absence of district level formal program stakeholder consultations with deliberate inclusion of backward/underserved districts as well as the GRM gaps at ETNCD, the Finance Department, and BoS mean that affected parties particularly women taxpayers, NMD communities, the Kalash, and persons with disabilities lack structured, accessible, and program-specific channels for informed participation. Program GRM will address these gaps by strengthening and integrating existing agency-level mechanisms — anchored in the KP Citizens' Portal as the primary citizen-facing interface and benchmarked against E&SED's GRM architecture as the most developed model — rather than establishing a new parallel system.

Table 2: Core Principle 1 - Environmental and Social Management

Core Principle 1: Environmental and social management procedures and processes are designed to (a) avoid, minimize, or mitigate adverse impacts; (b) promote environmental and social sustainability in Program design; and (c) promote informed decision-making relating to a Program's environmental and social effects.			
Key Planning Elements	**System Assessment**	**Capacity Assessment**	**Recommendations**
1.1 Program procedures are backed by an adequate legal framework and regulatory authority to guide environmental and social impact assessments at the programmatic level.	- Legal and regulatory framework exists at national and provincial level to assess the environmental and social impacts at the program level. - Hazardous materials are regulated in PEPA 97 and KPK Environmental Protection Act, Pakistan Penal Code, and KPK Local Government Act. - The concerned regulatory authorities include Environmental Protection Agency (EPA) and local government. - There are no specific provisions for e-waste management in these regulations. - There is no certified or licensed e-waste recyclers and their facilities in the country and the provinces. - The implementing departments do not have SOPs and buyback clauses in contracts with vendors for safe handling, storage and disposal of e-waste. - Current policy and regulations at provincial and federal levels, lack specific provisions pertinent to the construction, water supply, toilets, and electricity at schools and health facilities. The enforcement of environmental law on education and health facilities is weak. - Under national and provincial environmental protection acts, the wastewater discharge is controlled. In practice, the sewage is generally not properly treated and disposed at schools and health facilities. - NOC is required prior to construction and operation of any project from the Federal and Provincial environmental agencies by submitting IEE/EIA	- The implementing departments don't have awareness regarding e-waste hazards and their environmentally safe recycling and disposal practices. - E-waste is treated along with other wastes and sold to waste contractors without any environmental consideration for its disposal. - The regulators do not have awareness and capacity to establish and enforce e-waste management rules. - Overall, the regulators are lacking in infrastructure, capacity and resources to enforce environmental regulations in the country. - Implementing departments do not have specific standards and guidelines for construction, provision of water, toilets and electricity at schools and health facilities. Water and sanitation is included in the school/health facilities monitoring/inspection system, but it is not effectively used. Drinking water quality is not checked as per the required frequency. - Regarding sewage generation and disposal from toilets, EPA does not conduct environmental monitoring of existing schools and health facilities. EPA focus is on industries only. - No environmental approvals are required for the construction activities at schools and health facilities. - Implementing departments don't have any procedure, rules/guideline to enforce and monitor environmental health and safety safeguards during construction and for the	- Prepare Guidelines for environmental management of e-waste under the Technical Assistance component. Guidelines should be inclusive of buyback clauses in the contracts with ICT vendors. - Secure EPA approval for e-waste Guidelines. - Train implementing agencies and EPA staff for compliance with e-waste Guidelines under capacity building activities of Technical Assistance component.

	or environmental screening checklist. Environmental and social impact assessment of the project activities is the part of IEE and EIA reports. There is no environmental approval requirement for construction activities at schools and health facilities. Local governments and development authorities building bylaws and safety standards apply to school and health facilities' buildings.	provision of toilets, water and electricity at schools and health facilities.	
1.2 (a) Use of environmental and social impact assessment (ESIA) tools, including screening of proposed program activities to identify potential adverse environmental and social effects, and application of mitigation hierarchy.	- The KP PRID Program does not finance large-scale physical infrastructure and therefore does not trigger mandatory IEE or full EIA requirements under the KP Environmental Protection Act 2014. - The ESSA process constitutes the primary programmatic-level screening and impact assessment tool for the Program. - Environmental and social impacts at the program level are primarily indirect — arising from behavioral, institutional, and economic consequences of fiscal and governance reforms rather than direct physical interventions. - The principal direct environmental risks identified through ESSA screening are e-waste from large-scale IT procurement across all three Results Areas; non-uniform biomedical waste management at Rural Health Centers (RHCs) and Basic Health Units (BHUs) as facility-level spending authority is devolved under DLI 4; and minor construction and infrastructure risks associated with school facility improvements under MFS (DLI 5). - No cumulative impact assessment of simultaneous fiscal and governance reforms on Newly Merged Districts (NMDs) has been conducted. The concurrent introduction of AIT, GSTS expansion, UIPT revaluation, and digitization initiatives in communities with limited administrative capacity and historical institutional distrust	- None of the seven implementing agencies has internal capacity or established procedures to conduct environmental or social screening of program activities independently. Agencies rely entirely on the Bank-led ESSA process for programmatic-level assessment. - The BoS has the most structured field risk assessment protocols through its Security Risk Assessment (SRA) framework for NMD enumerator operations, but this does not constitute a formal E&S screening system applicable to program activities. - No implementing agency applies the mitigation hierarchy (avoid, minimize, mitigate, compensate) as a structured decision-making framework during activity planning. - KPRA, ETNCD, and the Finance Department have the lowest internal screening capacity, as their program activities are primarily regulatory and administrative in nature and have not historically been subject to E&S assessment requirements.	- Develop and operationalize a simple, standardized E&S risk screening checklist for use by all IAs at the activity planning level during implementation, covering: e-waste lifecycle risks from IT procurement; OHS hazards for field operations; biomedical waste risks from facility-level health spending; and inclusion risks for NMDs, women, Kalash communities, and persons with disabilities. - Conduct a targeted cumulative social impact assessment for NMDs within the first six months of Program effectiveness to assess the aggregate effects of simultaneous fiscal reforms on post-conflict communities. - Ensure all minor civil works under MFS (DLI 5) apply the KP ICRF climate-resilience standards and relevant building bylaws, with verification by E&S Focal Persons at E&SED.

	constitutes an unassessed cumulative social risk. - The KP Integrated Climate Resilience Framework (ICRF) mandates climate-resilience vetting for infrastructure, which is applicable to school construction and RHC facility investments under RA2.		
1.2 (b) Mitigation of adverse environmental or social impacts, including where the Program supports activities that may lead to loss of natural habitats or physical and cultural resources.	- The Program does not finance activities that would result in significant conversion or degradation of natural habitats or impacts on physical and cultural resources. No land clearance, large-scale excavation, or physical work in ecologically sensitive areas are supported. - Minor civil works under MFS (DLI 5) — including toilet construction, boundary walls, and classroom refurbishment — present limited but real risks: use of toxic building materials (asbestos-containing components, lead-based paints) in facility improvements if procurement standards are not enforced; and improper siting of latrines leading to groundwater contamination at school premises. - The Kalash community in Chitral represents a culturally distinct indigenous group whose intangible cultural heritage — language, festivals, oral traditions, and sacred sites — could be indirectly affected by Program activities. MFS-driven curriculum standardization and school construction in Kalash valleys could inadvertently marginalize Kalash cultural identity if not culturally adapted. - The KP Environmental Protection Act 2014 and the KP Integrated Climate Resilience Framework provide the regulatory basis for avoiding impacts on natural habitats and cultural resources. Pakistan has not ratified ILO Convention 169 and no provincial law mandates free, prior, and informed consultation with	- Implementing agencies do not maintain inventories of environmentally sensitive sites, cultural heritage locations, or areas of significance to indigenous communities within their operational areas. - E&SED has no formal procedure for cultural heritage screening prior to school construction or curriculum reform decisions affecting Kalash valleys. The Department's MFS monitoring system (SQMI/IMU app) tracks physical facility parameters but does not flag cultural or environmental sensitivity. - The Health Department has no standard for screening health facility construction sites for proximity to sensitive natural or cultural features. - No implementing agency has training or experience in conducting free, prior, and informed consultation with indigenous communities.	- Require that all civil works under MFS (DLI 5) and RHC upgrades use only approved, non-toxic building materials, verified through procurement compliance checks by E&S Focal Persons at E&SED and the Health Department. - Develop culturally appropriate consultation procedures for engagement with the Kalash Indigenous People and other vulnerable minority groups in areas where Program activities may affect them. Procedures should ensure meaningful consultation, equitable access to program benefits, and culturally appropriate communication methods, developed in close consultation with elders of the community. - Include a cultural heritage and natural habitat sensitivity flag in the E&S screening checklist developed under recommendation 1.2(a).

	indigenous peoples, constituting a material gap relative to PforR requirements.		
1.2 (c) Consideration of alternatives in the design of program activities to avoid or minimize adverse environmental and social impacts.	- The Program's design as a Program-for-Results instrument provides inherent flexibility for KP Government to determine the most appropriate means of achieving DLI results, reducing the risk of a single implementation pathway generating avoidable adverse impacts. - For school electricity access under MFS (DLI 5), solar panel installation has been adopted as the preferred alternative to diesel generator use for off-grid schools, representing a deliberate and well-founded consideration of alternatives with significant positive environmental co-benefits. - For the KPDDH under DLI 7, cloud-based or co-hosted server infrastructure could be explored as an alternative to dedicated on-premises data center expansion, potentially reducing energy consumption, capital expenditure, and e-waste generation. No documented assessment of this alternative has been conducted. - For IT procurement across all three Results Areas, device lifecycle extension through refurbishment and repair could serve as a partial alternative to full device replacement, reducing e-waste volumes. This has not been assessed by any implementing agency. - No formal alternatives analysis for social risk mitigation has been conducted for the cumulative reform sequencing in NMDs, where a phased or graduated approach to AIT and UIPT introduction could substantially reduce social conflict risks.	- No implementing agency applies a structured alternatives analysis procedure at the activity design stage. Alternatives are considered informally — if at all — during annual development planning, without documented assessment of environmental or social trade-offs. - The preference for solar energy in off-grid schools reflects MFS technical guidance rather than a systematic alternatives analysis conducted by E&SED. The rationale is sound but the documentation is absent. - The Finance Department and BoS lack the technical expertise to conduct energy efficiency alternatives assessments for data infrastructure, which would require input from the KP Information Technology Board or external specialists.	- Include a lightweight alternatives analysis requirement in the E&S screening checklist for higher-risk activities, particularly IT infrastructure design (KPDDH), civil works siting (MFS), and reform sequencing in NMDs. - Commission a technical review of KPDDH infrastructure design options — including cloud hosting, virtualization, and renewable energy supply — prior to finalization of the KPDDH technical architecture under DLI 7, supported by the IPF Technical Assistance component. - Document and formally adopt the rationale for solar energy preference in off-grid MFS schools as an E&S good practice standard replicable across future education sector investments.
1.2 (d) Explicit consideration of potential adverse environmental	- The KP Occupational Safety and Health Act 2022 is the primary provincial legislation for workplace safety, granting employees a statutory right to refuse work in unsafe conditions and requiring employers to maintain	- No implementing agency has a functioning Health and Safety Committee or a documented Workplace Safety Register, as required under the KP OSH Act 2022. OHS compliance across all seven agencies is therefore assessed as non-	- Strengthen Program-relevant OHS requirements through workplace safety assessments, Workplace Safety Registers, appropriate Health and Safety Committee arrangements, and periodic compliance

and social impacts in the management of program activities, including those related to the safety of workers and affected communities, and use of hazardous materials.	safe working environments. The Act applies to all government agencies and is directly relevant to the Program. - The Protection Against Harassment of Women at the Workplace Act 2010 (amended 2018 and 2022) mandates internal inquiry committees in all government entities. The 2022 amendment extends scope to digital forms of harassment, which is relevant given the Program's emphasis on digital taxpayer interaction. - Key hazardous material risks under the Program are: (i) e-waste from IT procurement across all three Results Areas, involving toxic components including lead solder, cadmium, mercury, and brominated flame retardants; and (ii) biomedical waste at RHCs and BHUs, including sharps, expired pharmaceuticals, soiled dressings, and pathological waste. - The KP Management of Hospital Waste Rules establish the cradle-to-grave framework for biomedical waste, including color-coded segregation, licensed transport, and authorized disposal. Tertiary hospitals in KP comply with these rules; enforcement at BHU and RHC level is weak. - Field operations under RA1 (revenue inspections), RA2 (LHW home visits), and RA3 (BoS enumerator surveys in NMDs) expose workers to traffic hazards, extreme weather, and residual security risks. The near-total absence of female field officers at KPRA and ETNCD creates compounded SEA/SH risks for both officers and the taxpayers they serve.	compliant with existing provincial law. - E-waste is handled by all agencies without specific OHS protocols: hardware is dismantled or stored without personal protective equipment and disposed of through conventional public auction without tracking the environmental fate of auctioned assets. - The Health Department's biomedical waste management capacity is strong at tertiary level and progressively weaker at primary care level. RHC and BHU facility managers have received no structured biomedical waste management training. - No IA has a formal program-specific SEA/SH prevention and response framework. Inquiry committees exist formally in some agencies but have not been activated and lack gender-sensitive procedures. The Health Department's Lady Health Worker (LHW) program represents a positive exception, with community-level female workers operating within a structured supervisory framework, but even this program lacks a formal SEA/SH response protocol.	reporting (PAP Action 6). - Adopt OHS and environmentally sound e-waste procedures for handling, storage, and end-of-life management of obsolete IT equipment, including qualified disposal or supplier take-back arrangements and chain-of-custody documentation (PAP Action 6). - Strengthen biomedical waste management at Program-supported RHCs alongside implementation of DLI 4, including segregation, storage, transport and disposal arrangements, record-keeping, training, and monitoring (PAP Action 7). - Strengthen SEA/SH-sensitive grievance arrangements, including confidential survivor-centered intake and referral pathways and trained designated personnel (PAP Action 2).
1.2 (e) Clear articulation of institutional responsibilities and resources to support	- KPK Environmental Protection Agency is the concerned regulatory and monitoring institution responsible for environmental management in the province. - The implementing departments are responsible for handling e-waste in environmentally safe manner and ensuring	- The regulators lack awareness and capacity to establish and enforce e-waste management rules/guidelines. - The implementing departments don't have awareness regarding e-waste hazards and its environmentally safe disposal and recycling practices. - No SOPs have	- Prepare Guidelines for environmental management of e-waste under the Technical Assistance component. Guidelines should be inclusive of buyback clauses in the contracts with ICT vendors based on lifecycle of ICTs. - Secure EPA

implementation of plans.	environmental, health and safety compliance during construction activities, for water and electricity supply and disposal of sewage from toilets.	been developed for e-waste management in the implementing departments. - Implementing departments do not have specific standards and guidelines for construction, provision of water, toilets and electricity at schools and health facilities. - The Finance Department has dedicated environmental and social management specialists housed in the PMU to identify mitigation measures to manage E&S risks associated with the Program activities. There is no dedicated E&S staff in other implementing agencies.	approval for e-waste Guidelines. - Environmental management and implementation of e-waste Guidelines training to implementing departments and EPA staff under capacity building activities of Technical Assistance component. - Climate resilient and environment friendly Policy Framework for school and health facilities will define the institutional responsibility. - Appoint/nominate staff for E&S management in IAs. - Development of capacity-building programs for Key Program staff in IAs on E&S assessments and management.
1.2 (f) Responsiveness and accountability through stakeholder consultation, timely dissemination of Program information, and through responsive grievance redress measures.	- Investment projects are duly approved by the provincial assembly as a part of annual budget which are disclosed in websites of respective IA(s). - The KP Right to Information Act 2013 was passed by the provincial legislature with the objective to ensure the access of citizens to information in government departments. The law places crucial duties and responsibilities on the designated Public Information Officers (PIOs) to liaise between the public and government institutions under the RTI Law.	- Adequate processes exist for information dissemination and disclosure. - KP Government hosts an online portal with information on KP's Annual Development Plan, Citizens Budget, tenders published by GoKP, administrative departments, educational institutions, employment and other similar schemes. - KP Citizen Portal and EKTHYAR portal function as province-wide complaint mechanisms. - BOR, KPRA, E&SED and Health Department have internal grievance redressal mechanisms for property rights, property disputes, and tax disputes. - Finance Department, ETNCD and BOS do not have any department-specific grievance mechanisms.	- Appoint/nominate/hire staff or consultants in IAs for handling timely consultations, disclosure, dissemination of information and grievance redress measures. - Ensure consultations as per guidance available in SEP prepared for the TA component. - Map the functionality of current GRM systems with its users (specifically vulnerable groups). The GRM mapping exercise should cover all seven implementing agencies and should specifically assess: (i) physical accessibility of GRM entry points for persons in the NMDs, remote rural areas, and mountainous districts; (ii) availability of GRM services in local languages; (iii) gender-sensitivity of GRM processes, including the availability of female GRM officers and confidential channels for reporting gender-based grievances; (iv) digital vs. analog channel balance, ensuring that non-digital channels remain operational for populations with limited connectivity or literacy; and (v) turnaround

			time standards and escalation protocols. The GRM mapping results should be disclosed publicly and the PAP should include a follow-on action to close identified gaps within 18 months of Program effectiveness. The E&SED GRM architecture, identified as the most developed among IAs, should serve as the benchmark model for other agencies. The GRM mapping exercise will produce an integrated program-level GRM design that builds on and strengthens what is already functioning, rather than creating a standalone mechanism.

D. Core Principle 2 – Natural Habitats and Physical Cultural Resources

Environmental and social management procedures and processes are designed to avoid, minimize, and mitigate against adverse impacts on natural habitats and physical cultural resources resulting from the program.

Given the scope of the proposed program's activities and considering that no physical works would be carried out, the ESSA team concludes that the program is unlikely to have any adverse impacts or pose any risk for natural habitats and physical cultural resources.

E. Core Principle 3 – Public and Worker Safety

ESSA team assessed that the program may result in generation of hazardous waste associated with the disposal of obsolete IT equipment replaced by IT equipment purchased under this project as well as at the end of use life of the equipment procured under this project. This waste could result in negative impacts to workers and public health if not disposed of in an environmentally safe manner. However, the life of the equipment exceeds the project implementation phase.

In terms of system assessment, national and provincial regulations are lacking in providing specific provisions on e-waste management. There are no specific rules and guidelines to regulate e-waste recyclers and their facilities and its disposal. The e-waste is not included as a hazardous substance in the Hazardous Substance Rules, 2003. Consequently, e-waste recyclers are not required to get license from the authority and regulate their facilities. There are also no safe disposal and formal recycling facilities in KP and other provinces of Pakistan to allow safe and sound management of the e-waste. Furthermore, implementing departments have not developed any procedures to handle e-waste in safe manner. The current procedure is to store obsolete IT equipment and auction them to private sector at periodic intervals. Nor do the departments track final destination of auctioned equipment.

Different hazardous materials are released during e-waste recycling. These materials include hazardous chemicals and heavy metals which are released into the environment and pose health and safety risks. Hazardous materials are released when e-waste is dismantled, plastic parts are burnt, metals are recovered through chemical processes and discarded parts are disposed on land and water in unsafe and untreated manner. Recycling is carried out mostly by informal sector with limited or no use of PPEs and disregard to occupational health and safety issues. Owing to unsafe recycling practices, health and safety of workers involved in the e-waste recycling operations and communities living in the vicinity of e-waste recycling operations are at risk.

Sexual Exploitation, Abuse, and Harassment (SEA/SH): Core Principle 3 requires that Program systems protect public and worker health and safety, including protection from sexual exploitation, abuse, and harassment. The KP PRID Program generates SEA/SH risks across all three Results Areas, arising from structural power imbalances between predominantly male implementing agency officials and the women they serve or supervise. On the revenue side, KPRA and ETNCD field officers, who are almost entirely male, exercise significant discretionary enforcement authority over women taxpayers during audits, inspections, and UIPT revaluations. The KPRMP gender vulnerability study found that 58% of women UIPT taxpayers cited fear of harassment at government offices as a primary deterrent to engagement with the tax system, providing direct empirical evidence of this risk in the operational context. In the health sector, the transfer of spending authority to RHC facility managers under DLI 4 strengthens the institutional position of female facility managers by removing their operational dependence on DHOs. The residual SEA/SH risk relates to the broader supervisory culture above facility level and the absence of confidential reporting channels in the Health Department. The existing legal framework, including the Protection Against Harassment of Women at the Workplace Act 2010 and its 2022 Amendment, Pakistan Penal Code Section 509, and internal inquiry committee requirements across all agencies, provides a formal legal foundation. All IAs confirm that they have constituted Workplace Harassment Inquiry Committees at the departmental level with at least one woman member, mostly chaired by the respective Secretaries (heads of departments), as required by law. There is also a KP Ombudsperson for Protection Against Harassment of Women at the Workplace. The law covers workplace-based complaints, but awareness and enforcement of these protections have been found to be weak in government departments. Against Core Principle 3, existing systems therefore require targeted programmatic strengthening, including confidential, survivor-centered SEA/SH intake and referral arrangements within Program grievance systems, trained designated personnel, and awareness and training for relevant field-facing staff. These measures are captured under PAP Action 2.

Table 3: Core Principle 3 – Public and Worker Safety

Core Principle 3: Program procedures ensure adequate measures to protect public and worker safety against the potential risks associated with (a) construction and/or operations of facilities or other operational practices developed or promoted under the Program and (b) exposure to toxic chemicals, hazardous wastes, and otherwise dangerous materials.			
Key Planning Elements	**System Assessment**	**Capacity Assessment**	**Recommendations**
3 (a) Promotes community, individual, and worker safety through the safe design, construction, and O&M of physical infrastructure, or in carrying out activities that may be dependent on such infrastructure with safety measures, inspections, or remedial works incorporated as needed.	• The KP Protection Against Harassment of Women at Workplace Act 2020 is present to address risks for staff of government departments. • Employment of children is governed by the KP Prohibition of Employment of Children Act, 2015 and the Child Labor Policy 2018.	• There are Departmental Committees constituted in most agencies for preventing harassment of women at workplace, mostly chaired by the respective Secretaries (heads of the departments). There is also a KP Ombudsperson for Protection Against Harassment of Women at the Workplace.	• Prepare SEA/SH Prevention and Response Framework
3 (b) Promotes the use of recognized good practice in the production, management, storage, transport, and disposal of hazardous materials generated through Program construction or operations; promotes the use of IPM practices to manage or reduce pests or disease vectors; and provides training for workers involved in the production, procurement, storage, transport, use, and disposal of hazardous chemicals in accordance with international guidelines and conventions.	- Current regulations do not cover specific provisions on e-waste management. KPK Environmental Protection Act 2014 Section 15 includes general provision on the handling of hazardous substances including: generation, collection, consignment, transportation, treatment, disposal of any hazardous substance. General provisions are mentioned in KPK Local Government Act 2013 for hazardous material. Hazardous Substance Rules 2003 do not mention e-waste as a hazardous substance and so no rules are applied on it. No pertinent guidelines or rules are drafted. Pakistan is party to the Basel Convention and Stockholm Convention on POPs for controlling trans-boundary movement of hazardous waste	Regulators: Lack of awareness and capacity to develop and enforce e-waste management guidelines/rules in the country. - Implementing agencies: Lack of awareness about e-waste management.	- Prepare Guidelines for environmental management of e-waste under the Technical Assistance component. Guidelines should be inclusive of buyback clauses in the contracts with ICT vendors based on lifecycle of ICTs. - Secure EPA approval for e-waste Guidelines. - Environmental management and implementation of e-waste Guidelines training to the implementing departments and EPA staff under capacity building activities of Technical Assistance component.

	and their disposal and unintentional release of POPs. - There is no mechanism for training workers involved in e-waste handling. - No regulated recyclers and recycling facilities exist in the country. - There are no SOPs for e-waste handling in the implementing departments.		
3 (c) Promotes safe management, segregation, transport, and disposal of biomedical and pharmaceutical waste generated through Program-supported health facility operations, in line with national rules and recognized good practice.	- The KP Management of Hospital Waste Rules establish a cradle-to-grave regulatory framework for biomedical waste, including color-coded segregation at point of generation, licensed transport, and authorized disposal at designated facilities. These rules are legally applicable to all public health facilities including Rural Health Centers (RHCs) and Basic Health Units (BHUs). - - At BHU and RHC level, biomedical waste management is non-uniform and predominantly inadequate: waste is typically disposed of through open burning in brick pits or shallow unlined burial within or adjacent to facility premises, in direct violation of the KP Hospital Waste Rules. - The KP Environmental Protection Act 2014 empowers KP-EPA to conduct environmental monitoring of health facilities, but enforcement is directed almost entirely at industrial sources; primary health facilities are not covered by routine EPA inspection programs. - No provincial pharmaceutical take-back or expired medicine disposal scheme currently operates. Expired medicines procured at facility level under enhanced	- The Health Department does not have a dedicated biomedical waste management unit at provincial level. Environmental and waste management responsibilities are fragmented across multiple program management units within the department, none of which has a mandated oversight function for primary care waste. - RHC and BHU facility managers — the individuals who will exercise enhanced spending authority under DLI 4 — have received no structured training in biomedical waste management, color-coded segregation, or licensed disposal engagement. Facility-level awareness of the KP Hospital Waste Rules is low. - District Health Officers (DHOs) are nominally responsible for supervising waste management compliance at peripheral facilities but lack the checklists, transport, and resources to conduct regular inspections. - The Lady Health Worker (LHW) program, which provides community-level health outreach, generates sharps and biological waste during immunization activities. LHW waste	- Integrate biomedical waste management compliance as an explicit monitoring parameter within the DLI 4 implementation framework, requiring Health Department to report on waste management practices at sampled RHCs and BHUs in biannual progress reports. - Train RHC and BHU facility managers in the KP Management of Hospital Waste Rules, color-coded segregation protocols, and licensed disposal engagement, under the capacity building activities of the Technical Assistance component, prior to devolution of enhanced spending authority. - Develop a simple facility-level biomedical waste management checklist for use by DHOs during supervisory visits to peripheral health facilities, covering: segregation at point of generation; storage conditions; transport documentation; and disposal records. - Assess the feasibility of establishing a provincial pharmaceutical take-back scheme — or leveraging existing tertiary hospital incinerator capacity for expired medicine disposal from primary facilities — through a rapid technical study under the IPF component.

	RHC spending authority will require disposal pathways that do not currently exist at the primary care level.	management protocols exist in guidance documents but are inconsistently implemented in practice. - No implementing agency under RA2 maintains disaggregated records on biomedical waste volumes generated, transported, or disposed. Baseline data is entirely absent, making it impossible to assess current compliance rates or track improvement over time.	- Engage KP-EPA to include BHU and RHC facilities in routine environmental monitoring rounds on a pilot basis in at least two districts during Program implementation, to provide independent verification of compliance trends.
3 (d) Promotes occupational health and safety for field workers and public-facing staff engaged in Program-financed activities, including those operating in high-risk or remote environments.	- The KP Occupational Safety and Health Act 2022 is the primary provincial legislation for workplace safety. The Act applies to all government workplaces and grants employees a statutory right to refuse work in conditions that present imminent danger to life or health. It requires employers to maintain safe working environments, provide necessary personal protective equipment, and establish Health and Safety Committees in workplaces of a defined scale. -	- No implementing agency has conducted a formal workplace safety assessment or prepared a Workplace Safety Register at any of its offices. Health and Safety Committees, while legally required under the KP OSH Act 2022, have not been constituted in any of the seven implementing agencies. - KPRA and ETNCD field officers receive no formal OHS briefing before undertaking physical inspections. Officers working in NMDs and remote districts — where terrain, weather, and residual security conditions present real hazards — have no documented emergency protocols or communication procedures for field operations. - The BoS NMD Security Risk Assessment framework, while operationally effective, is not documented in a transferable format that other agencies could readily adopt. No cross-agency learning mechanism exists.	- All seven implementing agencies shall bring workplace practices into compliance with the KP OSH Act 2022 within the first year of Program effectiveness: conduct mandatory workplace safety assessments at all IA offices; document findings in a formal Workplace Safety Register; and establish Health and Safety Committees at each IA with at least one female member. Compliance status shall be reported to the PMU in biannual progress reports. - Develop OHS protocols specifically for field staff conducting physical inspections and field surveys, covering traffic and personal safety; communication and check-in procedures for remote operations; emergency response and first aid; and security risk management in NMDs. Protocols should be adapted from the BoS SRA framework and extended to KPRA, ETNCD, and BoR field operations. - Develop and distribute PPE specifications and provision requirements for all staff handling IT

		Personal protective equipment (PPE) requirements for staff handling IT equipment (relevant to e-waste) and for health workers handling sharps and biological material are not specified in any agency's operational guidelines.	hardware (e-waste risk) and health workers handling sharps and biological material (biomedical waste risk), as part of the e-waste and OHS guidelines prepared under the Technical Assistance component. - Strengthen SEA/SH-sensitive grievance and referral arrangements, with particular attention to the safety of female staff at KPRA and ETNCD, where structural isolation in male-dominated enforcement environments creates compounded risks (PAP Action 2).
3 (e) Promotes the protection of program beneficiaries and the public from risks associated with digital systems, data security, and cybersecurity threats arising from Program-supported digital transformation activities.	- Pakistan does not yet have a comprehensive federal Personal Data Protection Act. The Personal Data Protection Bill remains in legislative draft form, leaving personal data aggregated across Program-supported systems without a formal statutory protection framework. Sensitive taxpayer, patient, teacher, student, and property records are therefore accumulating in digital systems without legal data minimization, consent, or breach notification requirements being enforceable. - The KP Environmental Protection Act 2014 and existing cybersecurity policies issued by the National Telecom and Information Security Board (NTISB) provide partial guidance on information system security but do not constitute a comprehensive data governance framework for a multi-agency integrated data platform of the KPDDH's scope.	- No implementing agency has a dedicated cybersecurity function or a formally documented data governance policy. IT security is managed reactively by general IT staff without specialized cybersecurity training or defined incident response protocols. - KPRA, ETNCD, and BoR hold large volumes of sensitive taxpayer data — including income declarations, property valuations, and bank linkages — without role-based access control systems, audit trails, or documented data breach response procedures. - The BoS, as the designated host of the KPDDH, does not have a data governance framework, data classification policy, or inter-agency data sharing protocol in place. The technical architecture of the KPDDH has not been finalized, and no privacy impact assessment has been conducted.	- Ensure the Data Governance Framework (DGF) for the KPDDH shall include: data classification and sensitivity tier protocols; role-based access controls with audit trails; data minimization and de-identification principles; consent and notification requirements where personal data is processed; data breach response protocols with defined notification timelines; equity provisions requiring all planning indicators to be disaggregated by district, gender, and disability status; and provision for annual review by the BoS Quality Assurance Unit.

		-- No agency has conducted a cybersecurity risk assessment of existing or planned digital systems. Staff awareness of phishing, social engineering, and data handling best practices is assessed as low across all implementing agencies. -	

Note on PAP coverage: The recommendation to benchmark all IA GRM systems against the E&SED GRM model is captured within PAP Action 2 (GRM Mapping and Integration). The capacity building program for E&S Focal Persons is addressed within PAP Action 1, the completion measurement of which includes training certification. No additional standalone PAP actions are required for these recommendations.

F. Core Principle 4 – Land Acquisition

Given the scope of the proposed program's activities and considering that no physical works would be carried out, the ESSA Team concludes that the Program is unlikely to have any impacts or pose any risks caused by the acquisition of land or the restriction of use or access to land or natural resources.

G. Core Principle 5 – Indigenous Peoples and Vulnerable Groups

The ESSA team has ascertained that the Indigenous People of Kalash residing in the Rambur, Birir and Bamburet valleys of the remote and underserved District Chitral will be affected by the Program through RA2 service delivery reforms and RA3 statistical data collection activities. The Program does not support revenue collection or enforcement interventions in the Kalash valley. Accordingly, portions of this principle pertaining to Indigenous Peoples will be applicable, proportionate to the assessed risks. With an estimated population of approximately 3,800–4,000 people, they constitute one of the smallest indigenous communities in South Asia, representing approximately 0.0018% of Pakistan's population. They live in fifteen villages across three high-altitude valleys — Bumboret, Rambur, and Birir — in Lower Chitral District of Khyber Pakhtunkhwa, at elevations ranging from 1,800 to 3,800 meters above sea level. The community is 100% rural.

The Kalash are the last surviving non-Muslim indigenous people in northern Pakistan, practicing a polytheistic religion distinct from the Muslim majority in surrounding areas. Their native language is spoken only within the community and has no formal presence in Pakistan's educational system: of the twelve schools in the valleys, only one school in Bumboret funded by Greek volunteers offers instruction in Kalasha. All other schools follow the provincial curriculum. The Kalash have a distinct customary law system governing inheritance and land allocation, known as Dur Fazik, with tribal dispute resolution through a council known as Jirga. Their social structure is organized through patrilineal clans, and their society is notable for the relatively greater independence of women compared to surrounding communities, though women continue to bear a dual burden of productive and reproductive labor. While the Government of Pakistan recognizes the Kalash as a religious minority, it does not formally recognize them as indigenous peoples. Pakistan has signed but not ratified ILO Convention 169, and there is no official territorial recognition for the Kalash valleys.

The Kalash are among the most economically marginalized communities in Chitral district. Anecdotal evidence suggests that poverty levels in the Kalash valleys exceed the district average. Traditionally goat herders and subsistence farmers, the Kalash economy has been shifting toward a cash-based system incorporating agriculture, trade, small-scale manufacturing, and an increasingly significant tourism sector. Land is traditionally held communally, forests and high pastures, or in small family plots for housing and cultivation. There is no official land ownership data for the Kalash valley.

The Kalash face several converging threats to their land rights and livelihoods. Encroachment by outsiders using formal land titles – which the Kalash, relying on customary tenure, lack — has led to the progressive loss of ancestral riverbed and valley-floor land to Muslim settlers and external investors. Economic pressure including the obligation to meet expensive social and reciprocity obligations such as sacrificing thirty to forty goats for a funeral sometimes forces families to sell or lease land to outsiders, further eroding the community's territorial base. Rapid tourism growth while providing income, has introduced new forms of cultural intrusion and the broader erosion of traditional practices through constant exposure to outside customs and values. In 2018, UNESCO listed a Kalash cultural tradition on its list of intangible cultural heritage in need of urgent safeguarding an international recognition of the acute threat to the community's cultural survival.

The Program does not finance revenue collection interventions affecting the Kalash. Residual Core Principle 5 risks arise from RA2 service-delivery reforms and RA3 data collection. PAP Action 5 establishes culturally appropriate consultation procedures and targeted engagement, while Program M&E will monitor inclusion and access risks.

MFS allocations use school-level enrolment, classroom, and facility-gap data. This provides an objective basis for prioritization, but data quality remains important: if facility gaps in remote or Kalash schools are not accurately recorded, allocations may not reflect need. Vulnerable-group inclusion should therefore be monitored through Program M&E and stakeholder engagement under PAP Action 5.

The assessment of Program systems under this principle determined that there is a moderate social risk to vulnerable groups which include women and communities in remote and historically underserved / backward districts. The school transfer formula introduced under the SPEED is structured around three evidence-based criteria for school fund allocations; Per Capita Grant (School Enrolment), Maintenance Grant (Number of Classrooms), and Conditional Grant (Missing Facilities). While an improvement to the criteria followed for the PFC award, it does not take into account vulnerabilities. The absence of considerations for underserved, remote or backward areas with scattered populations in remote and rugged terrains resulting in lower enrollment and higher operational costs, carries a risk of allocating inadequate resources for schools in these areas.

Table 4: Core Principle 5 - Indigenous Peoples and Vulnerable Groups

Core Principle 5: Due consideration is given to cultural appropriateness of, and equitable access to, Program benefits, giving special attention to the rights and interests of indigenous peoples and the needs or concerns of vulnerable groups.			
Key Planning Elements	**System Assessment**	**Capacity Assessment**	**Recommendations**
5. (a) Undertakes free, prior, and informed consultations if indigenous peoples are potentially affected (positively or negatively) to determine whether there is broad community support for the Program.	• The Constitution of Pakistan 1973 does not recognize Indigenous Peoples as a category. However, the Kalash Indigenous People are recognized as an ethnic and religious minority by government. • There is no law for consultation of indigenous peoples or to ensure broad community support for the Program. However, the following laws are present related to the Kalash in District Chitral, who are the only recognized indigenous people in the province. In 2018, the United Nations Educational, Scientific and Cultural Organization (UNESCO) has listed a tradition of the minority Kalash community in Pakistan on the list of intangible cultural heritage in need of urgent safeguarding. • The KP government has approved the establishment of Kalash Valley Development Authority (KVDA) to preserve the ancient culture of Kalash in Chitral. The authority will ensure that no construction of unapproved building should take place residential areas of the valley and all development schemes by the government for the ancient tribe do not damage their culture.	• By law, consultations are only required under KP Environment Protection Act. However, consultations have been carried out by various government departments under projects and initiatives led by bilateral and multilateral donors. In most cases, consultants are hired from the private sector to lead these, while government partners help organize and coordinate. Due to this gap, the implementing agencies have limited knowledge and capacity to undertake free prior and informed consultations with indigenous peoples, nor is it required by law.	• Develop culturally appropriate consultation procedures for engagement with the Kalash Indigenous People and other vulnerable minority groups in areas where Program activities may affect them directly or indirectly. Procedures should ensure meaningful consultation, equitable access to program benefits, and culturally appropriate communication methods, developed in close consultation with elders of the community. •

	• The Kalash Marriage Act provides legal protection to the traditions of Kalash tribe and also promote mutual coexistence and interfaith harmony.		
5. (b) Ensures that indigenous peoples can participate in devising opportunities to benefit from exploitation of customary resources or indigenous knowledge, the latter (indigenous knowledge) to include the consent of the indigenous peoples.	• There are no laws to ensure participation and consent of indigenous peoples in Program benefits. • Under the Local Government Act of 2013, Village and Neighborhood Councils are to be set up across all districts and tehsils of the KP province. Their membership includes representation of vulnerable groups to a certain extent. This will apply to the representation of the Kalash in Village and Neighbourhood Councils in District Chitral.	• The implementing agencies have limited capacity to devise opportunities for and ensure consent of indigenous peoples, nor is it required by law.	• As above
5. (c) Gives attention to groups vulnerable to hardship or disadvantage, including, as relevant, the poor, the disabled, women and children, the elderly, or marginalized ethnic groups. If necessary, special measures are taken to promote equitable access to Program benefits.	• KP has enacted a Women Empowerment Policy 2017 aiming at improving overall status of women in KP through their socio-economic, political and legal empowerment. Salient features of the policy include provision of quality health care, reducing gender gap in education, creation of employment and income generation opportunities to encourage their equal participation in all political processes and to ensure elimination of all forms of discrimination and violence against women and girls through legislation and its effective implementation. • The provincial government has also passed the KP Protection Against Harassment of Women at Workplace Act 2020. Provincial Commission on	• Overall implementing agencies are limited by human resources availability, capacity and infrastructure to target and respond to risks and challenges faced by the vulnerable groups such as encroachers, ethnic minorities and disabled. However, there are Committees set up in most agencies for preventing harassment of women at workplace, mostly chaired by the respective Secretaries. Social Protection Reforms Cell in the SDU of P&DD is mandated to work towards the welfare of vulnerable people, but has limited staff and budget, and requires support to mobilize enough resources to set up social welfare services.	• Conduct a Social Risk, Gender and Vulnerability Assessment to establish baselines and mitigation protocols for the most vulnerable groups affected by program activities

	Status of Women Act 2016 has also been enacted, and setup in Peshawar, with offices in districts across KP. The Commission has been constituted and given an autonomous status for effective and improved performance, efficiency and responsiveness, to provide effective services for promoting women rights and to eliminate all forms of discrimination against women and for matters connected therewith. • BOLO Helpline 0800-22227 is established at the Provincial level for the victims of Gender Based Violence (GBV) and persons with disabilities at Directorate of Social Welfare and Women Empowerment KP. The pilot phase of the Program is accessible in Districts of Peshawar, Mardan, Swat, Nowshera, Swabi and Abbottabad. • There is a Senior Citizens Act 2014 in KP, which provides preferential treatment for the elderly. Under the act, people who reached 60 years of age can apply and would be issued senior citizens cards under which these cardholders would be extended free access to parks, libraries, other picnic and recreational places, financial assistance, concession in medicines, setting up separate medical wards for them in public. • Under the Local Government Act of 2013, Village and Neighborhood Councils are to be set up across all districts and tehsils of the KP province. Their membership includes	• RTS Commission has ample capacity to deliver its mandate and is working diligently to improve the service delivery and outreach to citizens across KP.	

	representation of vulnerable groups to a certain extent. • A Social Protection Reform Cell was set up in the Sustainable Development Unit of P&DD by ILO with the support of JICA and GIZ, in order to assist vulnerable groups against external shocks. Single Window Services were proposed in order to inform citizens of all the social protection programs and services the GoKP has to offer. • Right to Public Services Commission has been set up in KP under an Act to facilitate improved service delivery of 24 services for citizens, including OPD and emergency medical services and scholarships. The Commission receives complaints and grievances and coordinates with service delivery agencies to provide relief to citizens.		

H. **Core Principle 6 - Social Conflict**

The Program excludes revenue collection and enforcement interventions in the NMDs. Residual Core Principle 6 risks relate mainly to data-driven resource allocation under RA3 and broader provincial resistance to AIT and GSTS reforms. These are addressed through the Data Governance and Equity Framework (PAP Action 4), distributional monitoring under PAP Action 3, and inclusive stakeholder engagement under PAP Action 5.

In terms of Program capacity, the main findings conclude that there are formal conflict resolution platforms available across the province in the shape of Village and Neighborhood Councils. These Councils provide effective forum for out-of-court (and Police Stations) amicable settlement of disputes by constituting panels of members as conciliators. Every Village and Neighborhood Council comprises of ten to fifteen members on the basis of population with some reserve seats for women, peasants/workers, youth and minorities. There are GRM platforms at the provincial level such as KP Grievance Redressal System, Ekhtyar portal and Provincial Ombudsmen office, which serve the citizens at large.

Several implementing agencies have developed conflict-sensitive operational protocols for the NMDs that go beyond standard provincial practice. BoR's use of Jirga-based community consultation before GIS boundary mapping, formal recognition of Shamilat communal land ownership under Riwaj, and routing of tribal land disputes through ADR mechanisms rather than formal Revenue Courts reflect an institutional awareness that imposing standardized formal systems on communities with strong customary tenure arrangements is a source of conflict rather than resolution. E&SED's localized teacher recruitment from village clusters, community co-design of school facilities with tribal elders, and PTC-controlled development funds that bypass central bureaucracy similarly reflect a conflict-sensitive approach to service delivery reform that the program can build on. BoS's enumerator recruitment from the specific Mouzas being surveyed, Malik engagement before survey initiation, and dynamic suspension of operations during security flare-ups represent conflict management protocols.

The NMDs' transition into the provincial tax system following the 25th Constitutional Amendment has been politically contested. Successive tax exemption extensions — including the most recent GoKP Cabinet approval in 2026 — reflect organized community resistance from traders, industrialists, and tribal representative bodies, as well as public statements by provincial leadership acknowledging the fragility of fiscal integration in these areas. The Program boundary explicitly excludes NMD revenue collection activities, substantially mitigating this conflict risk. The residual CP6 risk under this Program relates to RA3-driven ADP planning — if KPDDH tools do not embed equity principles, NMD communities may be systematically disadvantaged in data-driven resource allocation. The AIT reform at the provincial level (outside NMDs) similarly carries resistance risk from landowners and farmers, including concerns raised at the ESSA consultation workshop about AIT assessments not accounting for crop failures or climatic shocks. These risks are addressed through PAP Actions 3, 4, and 5.

Table 5: Core Principle 6 - Social Conflict

Core Principle 6: Program E&S systems avoid exacerbating social conflict, especially in fragile states, post-conflict areas, or areas subject to territorial disputes.			
Key Planning Elements	**System Assessment**	**Capacity Assessment**	**Recommendations**
Consider conflict risks, including distributional equity and cultural sensitivities.	• The 25th Amendment of the Constitution of Pakistan passed in 2018 abolished the colonial-era Frontier Crimes Regulation (FCR) and extended the jurisdiction of Pakistani courts and basic fundamental rights to the Newly Merged Districts (NMDs). • The Program does not support revenue collection or enforcement in the NMDs. The GoKP Cabinet has approved an extension of NMD tax exemption status. The NMDs remain within the Program boundary solely for RA3 statistical data collection activities. Residual CP6 risk relates to RA3-driven ADP planning — if KPDDH tools do not embed equity principles, NMD communities may be systematically disadvantaged in resource allocation. • The Departmental and Provincial GRM systems are accessible to the populations in the NMDs. Also, Provincial Ombudsman Office is mandated to receive and resolve complaints against any public institution. There are Village and Neighborhood Councils across all districts of KP to help resolve conflicts out of courts and Police jurisdiction.	• KPDDH is nascent and no equity-weighted planning guidelines have been developed to protect NMD communities in ADP resource allocation. ETNCD and KPRA have no conflict de-escalation or stakeholder dialogue capacity for the provincial-level AIT and GSTS resistance risk. • There is an absence of any integrated cumulative impact assessment of the combined effect of multiple reform activities on NMD communities. Individual agencies have developed their own protocols in isolation, but no agency or central coordinating body has assessed how the simultaneous introduction of GSTS, AIT, UIPT, digital land records, MFS-based school investment prioritization, and facility-level health budgeting will be experienced collectively by NMD communities.	• Embed equity principles in KPDDH data use guidelines (PAP Action 4). Include NMD-specific provisions in the Program stakeholder engagement and communication arrangements (PAP Action 5). Monitor distributional and social inclusion risks affecting NMD communities through Program M&E and relevant PAP measures, including PAP Actions 3–5.

V. Federal and Provincial Legal and Policy Framework

This section reviews the national and provincial legal and policy framework applicable to the environmental and social risks and impacts of the KP PRID PforR component. The framework is organized thematically, with cross-cutting statutes applicable to all implementing agencies identified separately from sector-specific legislation. Where gaps exist between the existing legal framework and the requirements of the World Bank's PforR Core Principles, these are explicitly identified and addressed in the Program Action Plan.

A. Constitutional and Federal Framework

The **25th Constitutional Amendment (2018)** merged the Federally Administered Tribal Areas (FATA) with the province of Khyber Pakhtunkhwa and constitutionally mandated the elimination of developmental disparities in the Newly Merged Districts (NMDs). It provides the constitutional basis for the accelerated public investment programs, fiscal transfers, and governance reforms applicable in the NMDs under KP PRID, and underpins the Government of KP's obligation to extend provincial tax and public financial management systems to these areas on a graduated basis.

Prevention of Corruption Act (1947) governs the criminal prosecution of public officials for bribery and corrupt practices. The Act is applicable for tax enforcement contexts as evidenced by the documented prosecution of ETNCD field officers for bribery in 2026, and is relevant to the SEA/SH and integrity risks identified under Results Area 1.

Pakistan Penal Code Section 509 protects citizens, including taxpayers, from harassment by departmental staff. Applicable to frontline KPRA and ETNCD officers in their interactions with women taxpayers during audits, inspections, and UIPT revaluations.

Protection Against Harassment of Women at the Workplace Act, 2010 (Federal, with Amendments 2018 and 2022) mandates safe workplace environments, codes of conduct displayed in Urdu and Pashto, and the establishment of internal inquiry committees in all federal and provincial government entities. The 2022 Amendment expanded the scope of the Act to cover digital harassment.

B. Cross-Cutting KP Provincial Legislation

KP Occupational Safety and Health Act, 2022 is the primary provincial legislation governing workplace safety, employer obligations, hazard identification and risk management, and emergency and first aid protocols across all public and private sector employers. The Act grants employees a statutory "Right of Refusal" to work in dangerously deteriorated buildings, directly relevant to E&SED's school safety obligations under DLI 5.

KP Civil Servants Act, 1973 governs the terms and conditions of service for permanent civil servants across all implementing agencies, including workplace conduct, administrative welfare provisions, and disciplinary procedures.

KP Government Servants (Conduct) Rules, 1987 governs professional ethics, bribery, conflicts of interest, and behavioral standards for all civil servants. This is relevant to the integrity and SEA/SH risks identified across all Results Areas, particularly for ETNCD and KPRA field officers.

KP Civil Servants (Efficiency and Discipline) Rules (2011 and 2020) provides for formal disciplinary proceedings, including suspension, demotion, and dismissal for misconduct and negligence. This has been applied by KPRA, BoR, ETNCD, and other agencies in response to staff misconduct.

KP Civil Servants Appointment, Promotion and Transfer Rules mandates a statutory 10% gender quota for women in initial public sector recruitment, applicable across all implementing agencies.

KP Public Procurement Regulatory Authority (KPPRA) Rules including **Disposal of Public Assets Rules** governs all procurement procedures for implementing agencies and provides the legal framework for the decommissioning and auctioning of obsolete IT equipment (e-waste). All seven agencies rely on KPPRA disposal rules as their primary e-waste management mechanism.

KP Right to Information (RTI) Act allows citizens to access internal government documents, including for contesting tax assessments and accessing statistical data.

KP Prevention of Discrimination Act protects service recipients (citizens) against discrimination in the delivery of public services. Applicable across all implementing agencies in their interactions with taxpayers, property holders, students, patients, and survey respondents.

KP Right to Public Services (RTS) Act mandates that public services are delivered within legally specified timeframes. Provides a recourse mechanism for citizens who experience unreasonable delays in revenue administration, property registration, and other public services.

C. KP Environmental Legislation

KP Environmental Protection Act (KP-EPA), 2014 is the primary provincial environmental law, establishing the KP Environmental Protection Agency and its regulatory mandate. It defines electronic waste and provides the overarching framework for hazardous waste management, environmental impact assessment, and compliance. While agencies cite the Act as the legal basis for e-waste management, most do not involve KP-EPA in disposal processes and it Act does not include specific e-waste regulations.

KP Management of Hospital Waste Rules legally structures the cradle-to-grave framework for biomedical waste handling across the health facility network, including the standardized color-coded waste segregation system, storage protocols, transport requirements, and disposal standards.

KP Integrated Climate Resilience Framework (ICRF) is a legally backed provincial initiative mandating climate-resilience vetting for infrastructure projects within the Annual Development Programme.

Climate Change Financing Framework (CCFF) integrates climate risk metrics into the provincial Public Financial Management lifecycle. This is managed through the Finance Department and relevant to the fiscal governance activities under Results Area 1.

D. KP Revenue and Tax Legislation

KP Finance Act, 2013 is the primary legislation establishing KPRA as a corporate entity with the mandate to administer and collect the General Sales Tax on Services (GSTS) and the Infrastructure Development Cess. Provides KPRA's institutional legal foundation for all RA1 activities under DLI 1 and DLI 2.

West Pakistan Land Revenue Act, 1967 (with KP Amendments) is the legislative baseline for land revenue administration and the formal mechanism for contesting digitized land records under Sections 52 and 55.

Governs BoR's core land administration functions relevant to AIT implementation and land record digitization under RA1.

KP Land Revenue (Amendment) Act governs the transition from manual paper ledgers to the Digital Land Record Portal, establishing the legal validity of digitized records. Directly relevant to BoR's land record digitization activities supporting AIT and UIPT administration under RA1.

Land Revenue Rules including the "Fard Badar" Protocol Includes specific procedural provisions for correcting data entry errors in digitized land records. The Fard Badar protocol provides a formal administrative remedy for landowners including smallholders who identify errors in their digitized records.

KP Agricultural Income Tax Act 2025 is the newly approved legislative framework for agricultural income tax in KP, including exemptions for landholdings below 12.5 acres. The Act's exemption threshold is relevant to the assessment of AIT impacts on smallholder farmers under RA1.

West Pakistan UIPT Act, 1958 (and subsequent KP Finance Acts) governs urban property taxation and valuations in KP. Section 4 provides exemptions for residential properties on plots up to 5 marlas (when owner-occupied) and for widows. Section 10 outlines the statutory appeal mechanism for property owners contesting assessments. The Act's exemption provisions are a critical social protection mechanism for the UIPT revaluation activities under DLI 1 and DLI 2.

E. KP Social Protection and Rights Legislation

KP Enforcement of Women's Property Rights Act 2019 protects women's inheritance rights and allows complaints to be filed directly with the Provincial Women's Ombudsperson, with a mandated 15-day resolution timeline. It is enforced through BoR's District Revenue Courts and provides institutional protection in the context of land record digitization and UIPT reform under RA1.

KP Rights, Rehabilitation, Accessibility & Empowerment of People with Disabilities Act, 2018 establishes legal safeguards for non-discrimination and equal access to public facilities. It is relevant to the accessibility requirements of the MFS framework under DLI 5, and to the digital inclusion risks under DLI 6.

KP Alternative Dispute Resolution (ADR) Act 2020 provides the legal basis for localized mediation committees to settle land and boundary disputes through arbitration. Particularly relevant in the NMDs and remote districts where access to formal Revenue Courts is constrained. It has been referenced by BoR as a complement to the formal grievance system.

KP Women Empowerment Policy (2026-2030) includes retention strategies for female government staff, such as harassment safeguards, maternity protections, and spatial accommodation provisions. Referenced by BoS and relevant to all implementing agencies in addressing the systemic low representation of women in operational roles.

F. KP Statistics, Data, and ICT Frameworks

National Cyber Security Policy 2021 provides the national framework for data security and cybersecurity standards and serves as BoS’s main policy anchor for KPDDH data security protocols under RA3.

Pakistan Information Security Framework 2025 provides statutory guidelines for the provincial digital safety infrastructure. It has been referenced by BoS as the operational standard for managing cybersecurity risks associated with the KPDDH and integrated data systems under DLI 7 and DLI 8.

Climate and Gender Budget Tagging (C&GBT) is a provincial fiscal tracking system that tags Annual Development Programme line items for climate and gender responsiveness. It is maintained by the Finance Department.

Gender Responsive Planning and Budgeting (GRPB) Framework provides analytical tools for evaluating ADP expenditures for gender equity. It is managed by the Finance Department.

G. Gap Analysis: Legal and Policy Framework

A comparison of the existing legal and policy framework against the requirements of the World Bank PforR Core Principles identifies the following significant gaps:

Gap 1: Absence of Comprehensive Data Protection Legislation: Pakistan does not have a comprehensive federal data protection law. The Personal Data Protection Act is in draft form and is yet to be enacted. In KP, data protection relies on provincial mandates, the National Cyber Security Policy, and the Pakistan Information Security Framework, instruments that do not provide the same level of individual data rights, consent requirements, and enforcement mechanisms as a dedicated data protection statute. This gap is particularly significant for the KPDDH under RA3, which will aggregate sensitive personal, financial, and health data across multiple agencies

Gap 2: Absence of Specific E-Waste Regulations: The KP Environmental Protection Act 2014 defines electronic waste and provides the KP-EPA with a general mandate for hazardous waste management, but KP does not have specific e-waste management regulations establishing collection, transport, recycling, and disposal standards. KPPRA disposal rules which govern how all seven implementing agencies decommission obsolete IT equipment do not require engagement with KP-EPA-licensed vendors or any environmentally specific disposal protocols.

Gap 3: Land Acquisition Act 1894 – **Absence of Protection for Non-Titleholders**: The Land Acquisition Act 1894 lacks adequate protection for non-titleholders, including tenants, sharecroppers, and women with informal land use rights. While this Act is not expected to be triggered by any Program activity (consistent with the CP4 determination in Section I), the weakness of tenant protections under the existing land tenure framework is directly relevant to the AIT burden-shifting risk under RA1: large landowners may seek to pass AIT obligations onto tenants in ways that exploit the absence of enforceable statutory protections for informal occupancy arrangements. This link should be noted in the risk analysis for RA1.

Gap 4: Low Awareness and Enforcement of Existing Legal Protections for Women: Several existing legal protections for women including the Widow's UIPT Exemption under the UIPT Act 1958, the KP Enforcement of Women's Property Rights Act, and the Protection Against Harassment of Women at the Workplace Act are underutilized due to low awareness among both beneficiaries and implementing agency staff.

Gap 5: Uneven Implementation of the KP Occupational Safety and Health Act 2022: While the KP OSH Act 2022 is a comprehensive and recently enacted framework, its implementation across the seven implementing agencies is uneven. Most agencies have not yet conducted mandatory workplace safety assessments or established the required Health and Safety Committees under the Act. E-waste handling by IT staff, including exposure to lead, mercury, and other hazardous materials in obsolete equipment is not covered by formal OHS protocols in any of the agencies assessed.

VI. DISCLOSURE AND CONSULTATION

A. Disclosure

A public multi-stakeholder workshop on the draft ESSA was conducted on July 7, 2026. Following incorporation of the feedback received from the workshop and other sources, the revised ESSA will be disclosed in-country and on the World Bank's external website prior to RVP/Board approval.

B. Stakeholder Consultations

Consultations with relevant institutions, program affected peoples, experts, and beneficiaries are essential in the proper planning and preparation of development projects and programs, to ensure effective identification and assessment of environmental and social effects, and to recommend measures to improve environmental and social management capacity. Stakeholder consultations were an integral part of the ESSA process and were carried out consistent with applicable World Bank principles.

In addition to the formal Bank-sponsored multi-stakeholder workshop that was held in Peshawar on July 7, 2026, the Bank has and will continue to engage in other formal and informal consultations as needed prior to finalization of this ESSA and the PforR. Multiple meetings, interviews and checklists were used to gather information from the relevant implementing agencies to identify and validate the risks mentioned in earlier sections of this ESSA, and to agree upon the mitigation measures.

C. Summary of Multi-Stakeholder Workshop

The draft ESSA was disclosed to stakeholders and a formal public consultation workshop was held on July 7, 2026 at the Serena Hotel, Peshawar. The workshop was organized by the World Bank task team in coordination with the Government of KP's Finance Department. The workshop was attended by 31 participants representing a cross-section of government departments, civil society organizations, the private sector, academia, and development partners. The full attendance list is provided at Annex 2. Participating organizations included:

- Government Departments and Agencies
    - Finance Department / PMU
    - Board of Revenue (BoR)
    - KP Revenue Authority (KPRA)
    - Elementary and Secondary Education Department (E&SED)
    - KP Environmental Protection Agency (KP-EPA)
    - KP Commission on the Status of Women (KPCSW)
    - Social Welfare Department, KP
    - Planning and Development Department (P&DD)
    - KP Public Procurement Regulatory Authority (KPPRA)
    - KP Information Technology Board (KP-ITB)
    - KP Rural Inclusive and Integrated Sector Program (KPRISP)
    - KP RIISP PMU

- Civil Society and Non-Governmental Organizations
    - Sarhad Rural Support Programme (SRSP)
    - Social Protection and Development Association (SPDA)

    - Women Chamber of Commerce and Industry, KP
    - Farmers' Representatives

- Academia and Research
    - Institute of Management Sciences (IM Sciences)

The workshop comprised four sessions: (i) presentation of the draft ESSA's key findings on environmental and social risks; (ii) presentation of the institutional capacity assessment and identified gaps; (iii) presentation of the proposed Program Action Plan; and (iv) open plenary discussion and structured feedback by participant group.

Summary of Stakeholder Feedback

- **Institutional Capacity and Dedicated E&S Staffing**: Multiple stakeholders, including E&SED and BoR, emphasized the need for dedicated E&S technical staff within each implementing agency rather than reliance on a single cross-program focal person. E&SED specifically requested that officially nominated focal persons and E&S technical analysts be placed in all implementing agencies and administrative and program management risks from the previous SPEED program should inform implementation arrangements for KP PRID.

- **Gender and Social Inclusion:** KP Commission on the Status of Women suggested that formal oversight or monitoring roles for gender inclusion activities within the Planning and Development Department's gender and social protection units, or within KPCSW itself, be incorporated into the Program, along with integration of the existing provincial and district-level institutional architecture for managing women's issues into the program's implementation framework.

- **Social Conflict:** The Sarhad Rural Support Programme (SRSP) recommended that the social conflict analysis should not be limited to the Newly Merged Districts but should extend to settled districts where tax reforms are also expected to generate resistance, specifically referencing demonstrations in Swabi against tax increases. SRSP also recommended inclusion of all KP languages in communication materials, not only Pashto.

- **Agricultural Income Tax Implementation Risks:** A progressive farmer representative raised substantive concerns about the current AIT assessment methodology, noting that tax calculations based on land size fail to account for actual production levels, climatic shocks, crop failures, and disasters, effectively burdening farmers during years of poor harvest. He also raised the risk to landowners from non-paying tenants in the context of AIT liability, particularly in Charsadda and Mardan.

- **Tax Reform Sequencing in the Newly Merged Districts:** Representatives from the World Bank financed KP RIIPS project raised concerns about the pace and "digestibility" of tax reforms in the NMDs, recommending graduated reforms to make the transition more acceptable to communities where the state's fiscal legitimacy is still being established.

- **E-Waste and Medical Waste Management:** KP-EPA, emphasized that a dedicated e-waste study has been conducted a decade ago and that Pakistan is a signatory to the Basel Convention on hazardous waste. She also highlighted that monitoring systems for medical waste management are currently very weak, particularly at the primary care level.

- **Data Governance and Privacy:** Academics raised two related points: first, the need for clear Data Governance Protocols and data privacy safeguards for the KP Development Data Hub (KPDDH); and second, a recommendation that KPDDH data be made available for public and research use under Component 3 (RA3), rather than being restricted to internal government use.

- **Grievance Redress - Avoid Duplication: Representatives** from IM Sciences and P&DD recommended using existing provincial systems specifically the KP Citizen Portal and the PEHL KP 911 system rather than creating new program-specific GRM mechanisms that could duplicate and fragment the existing architecture. The PEHL 911 is a newly launched emergency helpline.

- **Social Reluctance to Land Record Digitization:** BoR identified social reluctance to the digitization of revenue records in districts including Dir and Kalam as a significant implementation risk that could cause program delays. He noted that communities in these areas have strong attachments to paper-based land records and distrust of digital systems maintained by the state.

- **Climate Risk Integration in Infrastructure:** SRSP recommended that climate risks be explicitly integrated into the assessment and planning of education and health infrastructure improvements under RA2, noting that GLOF and flood risks are particularly acute for RHCs and schools in remote KP districts.

VII. INPUTS TO THE PROGRAM ACTION PLAN

The ESSA recommends seven actions for inclusion in the Program Action Plan (PAP) to address the priority environmental and social system and capacity gaps identified through the assessment. The actions focus on strengthening institutional E&S capacity; grievance redress and SEA/SH-sensitive response arrangements; gender-responsive tax administration and monitoring of distributional risks; data governance and equity safeguards for the KP Development Data Hub (KPDDH); stakeholder engagement and culturally appropriate consultation; occupational health and safety and e-waste management; and biomedical waste management at Program-supported Rural Health Centers (RHCs).

Recommendation 1 – E&S institutional capacity: Strengthen Program-level E&S capacity through Environmental and Social Specialists at the Finance Department PMU, designated E&S focal persons in implementing agencies, and targeted capacity building and reporting.

Recommendation 2 – Integrated grievance redress, including SEA/SH-sensitive procedures: Map and strengthen existing grievance mechanisms and establish Program-level coordination, tracking and escalation arrangements that build on existing provincial and implementing-agency systems. Ensure accessible channels, appropriate language and non-digital access, and confidential survivor-centered SEA/SH intake and referral arrangements.

Recommendation 3 – Gender-responsive and socially inclusive tax administration and distributional monitoring: Improve access to taxpayer services for women and other groups facing barriers through gender-responsive facilitation, targeted outreach, accessible and assisted digital services, and sex-disaggregated monitoring. Monitor material distributional risks associated with Program-supported tax reforms, including potential AIT burden-shifting to smallholders, tenants and sharecroppers, and take corrective measures where warranted.

Recommendation 4 – Data governance and equity safeguards for KPDDH: Before the KPDDH becomes operational, adopt and operationalize data privacy, security, grievance and equity safeguards through the Functional Design Document of the KPDDH and TORs of the QA unit. This should include data classification and sensitivity, purpose limitation, role-based access and audit trails, data minimization and de-identification, lawful processing and consent where applicable, breach response, data-related grievance and correction procedures, and safeguards for equitable use of data in policy and resource-allocation decisions.[12]

Recommendation 5 – Stakeholder engagement and culturally appropriate consultation: Develop and implement a Program-wide stakeholder engagement and communication strategy providing accessible disclosure, regular citizen feedback, and targeted outreach to women, persons with disabilities, low-literacy populations, NMDs and other remote or underserved communities. Where Program activities may affect the Kalash or other culturally distinct vulnerable groups, apply culturally appropriate consultation procedures developed with affected communities.

Recommendation 6 – Occupational health and safety and e-waste management: Strengthen implementation of Program-relevant OHS requirements through workplace and field-operation safety measures, appropriate institutional arrangements and reporting. Adopt environmentally sound procedures for management and

12 Data security and privacy are not E&S issues under the PforR Policy and are addressed through the Bank's legal agreements. This action is retained in the PAP as it represents Good International Industry Practice (GIIP) for a data hub of this nature and scale.

disposal of obsolete IT equipment, including appropriate procurement/end-of-life provisions, qualified disposal or take-back arrangements, chain-of-custody documentation and staff training.

Recommendation 7 – Biomedical waste management at Program-supported RHCs: Strengthen implementation of applicable healthcare waste management requirements at RHCs supported under DLI 4, including segregation, storage, transport and disposal arrangements, record-keeping, training and monitoring.

The table below sets out the seven recommended PAP actions, responsible and supporting entities, implementation timelines, and completion measures. The Executive Summary provides a condensed summary of the same actions; the table in this section is a detailed reference for the ESSA.

Table 6: Recommended Inputs for PAP

#	Action	Responsible Entity / Lead	Supporting Entities	Timeline	Completion Measurement
1	**Strengthen Institutional Capacity for E&S Risk Management.** Appoint or engage an Environmental Specialist and Social Specialist at the FD PMU; designate E&S Focal Persons in each implementing agency; and provide initial and periodic E&S capacity building relevant to Program risks and responsibilities.	Finance Department / PMU	All Implementing Agencies	PMU specialists within 3 months; IA focal persons and initial training within 6 months of effectiveness	Specialists in PMU are hired within 3 months of effectiveness; and IA focal persons training completed within 6 month.
2	**Strengthen and Integrate Program-Level Grievance Redress, including SEA/SH-sensitive procedures.** Map existing IA and provincial grievance channels for accessibility, language, gender/SEA/SH sensitivity, digital and non-digital access, turnaround times and	Finance Department / PMU	All IAs; KP Citizens Portal; Gender Focal Persons	Mapping within 6 months; integrated arrangements within 12 months; priority gaps addressed within 18 months	Mapping study completed within 6 months of effectiveness. Integrated grievance systems, operational as notified by PMU within 12 months of effectiveness

#	Action	Responsible Entity / Lead	Supporting Entities	Timeline	Completion Measurement
	escalation arrangements. Establish a Program-level coordination, tracking and escalation mechanism that builds on existing provincial and IA systems rather than creating parallel mechanisms. Include confidential, survivor-centered SEA/SH intake and referral arrangements and trained designated personnel.				
3	**Strengthen Gender-Responsive and Socially Inclusive Tax Administration and Monitor Distributional Risks.** Improve access to taxpayer services for women and other groups facing access barriers through availability of trained female service personnel, accessible service arrangements, targeted outreach in appropriate languages and formats, assisted digital access, and sex-disaggregated taxpayer data. Establish monitoring of material distributional risks associated with Program-supported tax reforms, including potential AIT burden-shifting to smallholders, tenants	KPRA / ETNCD / BoR	Finance Department; Women Chamber of Commerce KP; relevant farmer and taxpayer organizations	Initial measures and monitoring framework within 6 months; implementation and reporting ongoing	Report on measures, GoKP notification on monitoring framework; monitoring reports produced every 6 months.

#	Action	Responsible Entity / Lead	Supporting Entities	Timeline	Completion Measurement
	and sharecroppers, and awareness/access to applicable exemptions and appeal mechanisms.				
4	**Adopt and Operationalize Data Governance and Equity Safeguards for the KPDDH.** Before the KPDDH becomes operational, adopt and operationalize data privacy, security, grievance and equity safeguards through the Functional Design Document of the KPDDH and TORs of the QA unit. This should include data classification and sensitivity, purpose limitation, role-based access and audit trails, data minimization and de-identification, lawful processing and consent where applicable, breach response, data-related grievance and correction procedures, and safeguards for equitable use of data in policy and resource-allocation decisions.	Bureau of Statistics	Finance Department; P&D Department; KP IT Board; Health Department; E&SED	DGF adopted before KPDDH becomes operational; ongoing	Inter-agency data sharing agreements signed; QA Unit notified by Pⅅ implementation and compliance report produced every year.
5	**Strengthen Stakeholder Engagement and Culturally Appropriate Engagement with**	Finance Department / PMU	Relevant IAs; KP Citizens Portal; communications units; Chitral District	Strategy and culturally appropriate consultation procedures within 6 months; implementation throughout Program	Establish procedure, protocols and guidelines within 6 months; implementation and

#	Action	Responsible Entity / Lead	Supporting Entities	Timeline	Completion Measurement
	Vulnerable Groups. Develop and implement a Program-wide stakeholder engagement and communication strategy covering disclosure of key reforms, accessible and locally appropriate communication, regular citizen feedback, and targeted outreach to groups facing exclusion, including women, persons with disabilities, low-literacy populations, remote communities and NMD populations. For any Program activity that may affect the Kalash or other culturally distinct vulnerable minority groups, apply culturally appropriate consultation procedures developed in consultation with affected communities.		Administration, as applicable		compliance report produced every 6 month.
6	**Strengthen Occupational Health and Safety and E-Waste Management.** Implement Program-relevant requirements of the KP Occupational Safety and Health Act 2022, including workplace safety assessments, Workplace Safety Registers, appropriate Health and Safety	Finance Department / PMU	All IAs; KP-EPA	Initial OHS assessments within 6 months; OHS and e-waste protocols within 9 months; ongoing reporting	Initial OHS assessment report within 6 months and OHS protocols within 9 months of Program effectiveness; implementation report every 6 months

#	Action	Responsible Entity / Lead	Supporting Entities	Timeline	Completion Measurement
	Committee arrangements, and protocols for field operations and handling of obsolete IT equipment. Adopt environmentally sound e-waste management procedures, including supplier take-back/buyback or other qualified disposal arrangements, documented chain of custody, and relevant staff training.				
7	**Strengthen Biomedical Waste Management at Program-Supported RHCs.** In parallel with enhanced facility-level budget authority under DLI 4, strengthen implementation of applicable healthcare waste management requirements at Program-supported RHCs, including segregation, safe temporary storage, transport and disposal arrangements, record-keeping, staff training and monitoring.	Health Department	Finance Department / PMU; KP-EPA; relevant district health authorities	Protocols/implementation arrangements within 12 months; monitoring throughout implementation	Report on established arrangements and implementation reports every 6 months

ANNEX 1: Federal and Provincial Laws and Policies

This section describes the existing environmental and social management legislations applicable in the implementation of the proposed Program. The Governments of Pakistan and of KP have enacted a range of laws, regulations, and procedures relevant to managing the environmental and social effects of the proposed Program. From a legal, regulatory, and institutional perspective, the applicable environmental and social management systems are adequate with some gaps relevant to the risks posed by this Program. In this annex only those policies and legislations are described which have relevance with the potential environmental and social impacts of the proposed program.

National Environmental Policy, 2005

The National Environmental Policy provides an overarching framework for addressing the environmental issues facing Pakistan such as pollution of freshwater bodies and coastal waters, air pollution, lack of proper waste management, deforestation, loss of biodiversity, desertification, natural disasters and climate change. It also gives directions for addressing the cross-sectoral issues as well as the underlying causes of environmental degradation and meeting international obligations.

Policy measures recommends to i) enact the National Clean Air Act, ii) ensure reduction and control of harmful emissions through regulatory programs, iii) promote cleaner production technologies, iv) introduce discharge licensing systems for industry, v) establish cleaner production centers and promote cleaner production techniques and practices, vi) encourage reduction, recycling and reuse of municipal and industrial solid and liquid wastes, and vii) provide financial and other incentives (reduction/elimination of tariffs, low interest loans, appreciation certificates and awards) for technology up-gradation, adoption of cleaner technology, implementation of pollution control measures and compliance with environmental standards.

Pakistan Environmental Protection Act 1997

PEPA 1997 is the basic legislative tool empowering the Government to frame regulations for the protection of the environment. It is comprehensive legislation and provides the basic legal framework for protection, conservation, rehabilitation, and improvement of the environment. The Act is applicable to a wide range of issues and extends to air, water, soil, marine, and noise pollution, and to the handling of hazardous wastes.

Environmental pollution control associated with hazardous waste is addressed in this Act under Section 13 and 14. Under Section 13 'Prohibition of Import of Hazardous Waste' which states that no person shall import hazardous waste into Pakistan and its territorial waters, Exclusive Economic Zone and historic waters. Under Section 14 'Handling Hazardous Substances' which states that no person shall generate, collect, consign, transport, treat, dispose of, store, handle or import any hazardous waste except under a license issued by the Federal Agency and in such manner as may be prescribed or in accordance with the provision of any other law or of any international treaty, convention, protocol, code, standard, agreement or other instruments to which Pakistan is a party.

Under the Hazardous Substance Rules, 2003, made under this Act, license is required for the import and transportation of hazardous substance from Federal or Provincial agency. The application for the grant of license for the industrial activity involving generation, collection, consignment, transport, treatment, disposal, storage, handling or import of hazardous substances, must be accompanied with EIA report and safety plan. The validity of the license is for three years. The licensee is required to notify any major accident occurring at licensed facility to provincial and federal agencies. There is also packing and labelling requirement, safety precautions for the premises and workers which will have to be followed. The licensed facility can be inspected by the provincial or federal staff.

Khyber Pakhtunkhwa Environmental Protection Act 2014

The provincial environmental protection Act addresses prohibition of discharges and emissions of wastewater and air emissions, noise control, requirements of initial environmental examination and environmental impact assessment for the newly established development projects, and hazardous waste and substances.

Under this Act, no person is allowed discharge or emit any effluent or waste or air pollutant or noise in an amount, concentration or level which is in excess of the prescribed provincial Environmental Quality Standards. Similarly, no person can import hazardous waste into the province, generate, collect, consign, transport, treat, dispose of, store, handle or import any hazardous substance except he/she gets license from the authority.

This Act also addresses environmental impact assessment of the new projects. It stipulates that project construction or production can't commence without obtaining No Objection Certificate (NOC) from the KP EPA. To obtain NOC, project proponents have to conduct and submit Initial Environmental Examination (IEE) or Environmental Impact Assessment (EIA) study or Environmental Screening Checklist to KP EPA.

Under the law, provincial agency can issue Environmental Protection Order where agency is satisfied that the discharge or emission of any effluent, waste, air pollutant or noise, or the disposal of waste, or handling of hazardous substance, or any other act or omission is likely to occur, or is occurring, or has occurred, in violation of any provision of this Act, rules or regulations or of the condition of license, or is likely to cause, or is causing, or has caused an adverse environmental effect. The provincial agency may, after giving the person responsible for such discharge, emission, disposal, handling, act or omission an opportunity of being heard, by order, direct such person to such measures as the provincial agency may consider necessary with such period as may be specified in the order.

Pakistan Penal Code

The Pakistan Penal Code discusses offences where public or private properties and/or human lives are affected due to intentional or accidental misconduct of an individual or body of people. The Code defines the penalties for violations concerning pollution of air, water bodies and land.

Khyber Pakhtunkhwa Local Government Act 2013

The Khyber Pakhtunkhwa Local Government Act 2013 addresses the environmental pollution control for the waste under i) Fourth Schedule, Part I (Sr. No: 8): discharging any dangerous chemical, inflammable, hazardous or offensive article in any drain or sewer, public water course or public land; ii) Fifth Schedule (Sr, No: 26): Damaging or polluting physical environment, inside or outside private or public premises, in a manner to endanger public health.

The Constitution of Pakistan

Articles in the Constitution of Pakistan relevant to the Program include equality and non-discrimination, humane conditions of work, social protection, and protections for women and children.

Labor protection

Program-specific labor and OHS risks are addressed primarily through the KP Occupational Safety and Health Act 2022 and the PAP.

Harassment and Women Protection

Women's rights and gender equality are supported by constitutional guarantees, the Protection Against Harassment of Women at the Workplace Act 2010 (as amended), the KP Enforcement of Women's Property Rights Act, and the mandate of the KP Commission on the Status of Women. T

Public consultations

Public consultations guidance supports inclusive consultation and participation, including outreach to women, low-income groups, and civil society. Program-specific engagement measures are consolidated in PAP Action 5. These guidelines address possible approaches to public consultation and techniques for designing an effective program of consultation that reaches all major stakeholders and ensures the incorporation of their concerns in any impact assessment study. The guidelines cover consultation, involvement and participation of stakeholders; effective public consultation (planning, stages of an EIA where consultation is appropriate); and facilitation of involvement (including the poor, women, and NGOs)

The KP Right to Information Act 2013

Provides a statutory basis for access to government-held information and requires designated Public Information Officers. It supports Program transparency and disclosure.

The KP Right to Public Services Act 2014

Establishes time-bound public service standards and accountability mechanisms relevant to citizen-facing Program activities.

The KP Provincial Ombudsman

Provides an independent channel for complaints concerning maladministration by provincial government agencies and complements departmental and Program grievance mechanisms.

ANNEX 2: Details of ESSA Disclosure Workshop

S.No	Name	Designation	Organization
1	Shazia Atta	Secretary	KP Commission on the Status of Women (KPCSW)
2	Zafar Habib	Assistant Professor	Institute of Management Sciences (IM Sciences)
3	M. Zaheer Uddin Babar	Additional Secretary	E&SED
4	Beenish Imran	Chief (SP&GM)	Planning and Development Department (P&DD)
5	Irum Touqeer	Senior Public Sector Specialist	World Bank
6	Mehrunisa Malik	E&S Specialist	World Bank
7	Zakia Jawed	Deputy Director	KP Environmental Protection Agency (KP-EPA)
8	Kamran Shah	Deputy Director	KP Information Technology Board (KP-ITB)
9	Abdul Ghafoor Shah	Member Board of Revenue	Board of Revenue (BoR)
10	Dr. Awlad Hussain	Programme Coordinator	Sarhad Rural Support Programme (SRSP)
11	Dr. Fazli Malik	Programme Officer, Climate Change	Sarhad Rural Support Programme (SRSP)
12	Shahab	SSDS	KP Rural Inclusive and Integrated Sector Program (KPRISP)
13	Salman Khan	M&E Officer (PCMU)	KPRISP
14	Dr. Obaid	Environmental Specialist	KPRISP
15	Ahmad Noor	M&E Officer (PCMU)	KPRISP
16	Quratalain	President	Women Chamber of Commerce and Industry, KP
17	Attaur Rehman	Director MIS	Board of Revenue (BoR)
18	M. Iqbal Wazir	Project Director, SLR, Dir/Kalam	Board of Revenue (BoR)
19	Ismail Shah	IT Officer	Board of Revenue (BoR)
20	Nisar Ahmad	Deputy Secretary	Social Welfare Department, KP
21	Ihsanullah	President	Social Protection and Development Association (SPDA)
22	Faisal Irshad	Assistant Director	KP Public Procurement Regulatory Authority (KPPRA)
23	Mian Adnan Gul	Progressive Farmer Representative	—
24	Nawab Ali	Assistant Director	KP Revenue Authority (KPRA)
25	Abid Alam	Deputy Director, BoS	Planning and Development Department (P&DD)
26	Umar Said	Economist	—
27	Raheel Iqbal	Deputy Collector	KP Revenue Authority (KPRA)

28	Pir Imran	M&E Specialist	PMU, Finance Department, Government of KP
29	Shafi-ur-Rahman	Procurement Specialist	PMU, Finance Department, Government of KP
30	Mian Sajid Gul	Social Sector Specialist	PMU, Finance Department, Government of KP
31	Naveed Alam	Deputy Director	ETNCD

ANNEX 3: Summary of Implementing Agency Questionnaire Responses

The following tables summarize key findings from questionnaire responses received from the implementing agencies: Finance Department (FD), Board of Revenue (BoR), KP Revenue Authority (KPRA), Excise, Taxation and Narcotics Control Department (ETNCD), Elementary and Secondary Education Department (E&SED), Health Department, and Bureau of Statistics (BoS). Detailed questionnaires may be requested from the World Bank.

Table 1: E&S Staffing and Management Capacity

Agency	Dedicated E&S Unit/Staff	E&S Management Approach	Key Gap
Finance Department (FD)	No dedicated unit; E&S Specialists housed in the Shared Services Unit (SSU)	SSU provided cross-program E&S support for World Bank-financed KPRMP and KPSPEED	SSU (future PMU KP PRID) Environmental Specialist position may be vacant; no agency-level E&S focal person
Board of Revenue (BoR)	No permanent E&S unit	E&S considerations integrated into statutory land management and judicial roles	No formal E&S management system; reliance on legal frameworks rather than dedicated capacity
KPRA	No dedicated E&S staff or formal system	No formal E&S management arrangement reported	Absence of any E&S management structure across all four offices
ETNCD	No specialized desk	Regular Excise and Taxation Officers (ETOs) perform E&S-adjacent functions on an ad hoc basis	No formal E&S management system; no SEA/SH focal point for field operations
E&SED	No permanent E&S unit	Safeguards managed through a fragmented system of ad hoc project units and line agencies	Fragmentation creates inconsistent application across districts; no dedicated unit for program-level coordination
Health Department	No department-wide E&S unit	Project Management Units (PMUs) manage E&S for donor-financed initiatives	PMU-based approach limits E&S coverage to individual projects rather than departmental systems
BoS	No dedicated E&S staff or formal system	No formal E&S management arrangement reported	Absence of any E&S management structure; relevant for large-scale field survey operations

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Table 2: Gender Representation and Inclusion Measures

Agency	Female Staff (Total)	Female Staff (Senior/Field Roles)	Recruitment Measures	Key Gap
Finance Department	Less than 5%	Less than 5% in senior management	10% statutory gender recruitment quota; upper age relaxation of 5 years for women	Near-total male dominance in budget and policy decision-making roles

Board of Revenue	Less than 5%	Patwari and field roles almost entirely male	10% gender quota; women allowed to apply for field postings	Near-total absence of women in land record and revenue field roles directly interfacing with citizens
KPRA	9 female staff across all four offices	No female staff in enforcement/field roles	Adherence to government recruitment policy	Structural absence of women in frontline enforcement creates SEA/SH risk for women taxpayers
ETNCD	Fewer than 6 female staff out of approximately 1,300 employees	Less than 0.5% in operational roles	10% gender quota applied at recruitment	Lowest gender representation of all implementing agencies; deep structural and cultural barriers to female frontline deployment
E&SED	Approximately 34% of total staff	Less than 5% in senior management	e-Transfer policy to station women near home districts; localized hiring; protected gender management streams; 70:30 budget ratio favoring girls' schools	Gap between total representation and senior/management-level representation
Health Department	38.5% of total staff	1–2% in senior management	Lady Health Worker network; gender-matched community outreach	Significant gap between total female representation and leadership; severe underrepresentation in senior roles
BoS	Not specified	Not specified	Gender-matched enumerators deployed for conservative communities; local language survey instruments	Limited disclosure of overall gender staffing data; gender-matching policy not uniformly applied

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Table 3: Grievance Redress Mechanisms

Agency	Program-Specific GRM	Province-Wide Mechanism Used	Sector/Agency-Specific Mechanism	Key Gap
Finance Department	None	KP Citizen Portal (PMRU)	None	No department-specific GRM; no SEA/SH dedicated intake channel
Board of Revenue	None	KP Citizen Portal (PMRU)	Internal 3-member inquiry committees; escalation to Provincial Ombudsperson; judicial appeal hierarchy	GRM awareness among rural and non-literate citizens is low; dispute resolution processes inaccessible to non-titleholders

KPRA	None	KP Citizen Portal (PMRU)	WhatsApp number for taxpayer queries; online dispute resolution portal	GRM awareness of only 7% among women GSTS taxpayers; no confidential SEA/SH intake channel
ETNCD	None	KP Citizen Portal (PMRU)	UIPT appeals process	No department-specific GRM; UIPT appeals process inaccessible to low-literate and low-income citizens; structural complexity of tax appeals
E&SED	None	KP Citizen Portal (PMRU)	Parent-Teacher Councils (PTCs) for school-level grievances; gender-segregated reporting streams	PTC-based GRM effective at school level but does not cover teacher labor grievances or SEA/SH at institutional level
Health Department	None	KP Citizen Portal (PMRU)	Internal facility desks; KP Healthcare Commission (KP-HCC); digital town halls	Primary care-level GRM coverage is weak; no specific mechanism for RHC managers facing pressure from DHOs
BoS	None	KP Citizen Portal (PMRU)	None	No agency-specific GRM; no mechanism for field enumerators to report SEA/SH incidents during survey operations

Table 4: E-Waste Management

Agency	Current Disposal Method	KP-EPA Engagement	Dedicated E-Waste Policy	Key Gap
Finance Department	Disposal through KPPRA auction rules (fiscal recovery focus)	No systematic engagement with KP-EPA for IT waste	None	Auction-based disposal does not ensure environmentally sound handling; no buy-back clauses in IT contracts
Board of Revenue	Disposal through KPPRA auction rules	No systematic engagement with KP-EPA	None	Same as FD; significant IT procurement under GIS/ILRMIS digitization heightens risk
KPRA	Auction process for disposed IT equipment	Auction process does not involve KP-EPA licensed vendors	None	Explicitly confirmed absence of KP-EPA-licensed vendor engagement; no environmental safeguards in disposal process

ETNCD	Disposal through KPPRA auction rules	No formal engagement	None	No standalone e-waste policy; significant IT procurement under UIPT digitization increases exposure
E&SED	Disposal through KPPRA rules; some equipment donated to schools	Limited engagement	None	Donation of obsolete IT to schools transfers e-waste risk without environmental safeguards
Health Department	Biomedical/clinical waste: color-coded segregation, incineration at district level; IT equipment: KPPRA rules	Engagement with KP-EPA on healthcare waste management; limited for IT waste	Healthcare Waste Management Manual (biomedical only)	"Hub and spoke" transport failure: hazardous waste accumulates at rural clinics and BHUs due to irregular collection; IT e-waste not covered by healthcare waste policy
BoS	No standalone e-waste policy; follows KPPRA rules for IT disposal	No formal engagement	None	Explicitly confirmed absence of any e-waste management policy

Note on PAP coverage: Biomedical waste management at rural BHUs and RHCs is addressed through PAP Action 7, including facility-level compliance with the KP Management of Hospital Waste Rules and verification of improved waste handling at sampled facilities.

Table 5: Provisions for Newly Merged Districts and Vulnerable Groups

Agency	NMD-Specific Operational Provisions	Vulnerable Group Provisions	Key Gap
Finance Department	Ring-fencing of NMD allocations under Accelerated Implementation Programme (AIP); 3% NMD share in divisible pool	Gender Responsive Planning and Budgeting (GRPB) framework; Gender Budget Tagging (GBT)	No NMD-specific tax compliance transition framework; no graduated pathway for enforcement
Board of Revenue	GIS-based land record digitization with Jirga consultation protocols; ADR mechanism for land disputes in NMDs; Shamilat communal land provisions	Exemption for landholdings below 12.5 acres from AIT; NADRA e-Sahulat kiosks for rural access	GIS digitization risk to customary land arrangements not fully mitigated; no Jirga-specific ADR SOP
KPRA	Manual facilitation only for NMD taxpayers; no digital-first enforcement	GSTS relief for micro and small businesses; tax exemptions for specific informal sectors	No distributive impact study for GSTS expansion on NMD informal economy; no Pashto-language e-filing interface
ETNCD	Jirga mediation for UIPT disputes in NMDs; UIPT five-year post-merger exemption period nearing expiry	5-marla property tax exemption for low-income households; subsidized rates for transport and informal sector	No graduated compliance pathway for post-exemption NMD enforcement; no community communication plan for exemption expiry

E&SED	Localized teacher hiring for NMD schools; 70:30 budget ratio favoring girls' schools	Vulnerability Index for MFS targeting; special provisions for children with disabilities in school infrastructure standards	Population-weighted MFS formula structurally disadvantages low-population NMD and remote district schools
Health Department	Mobile health teams for remote and NMD communities; hardship allowances for staff in remote postings; PFC equity formula	RMNCH services prioritized; Lady Health Worker (LHW) outreach in conservative communities	55% doctor vacancy rate at RHC Ayun (sole facility for Kalash valleys); no Kalash-specific health outreach protocol
BoS	Local enumerator hiring in NMDs; Security Risk Assessments (SRAs) before field deployment; Malik engagement protocols; unified civil-military coordination	Gender-matched enumerators for conservative communities; local language survey instruments	Population-proportional sampling excludes small communities including the Kalash; no dedicated BoS statistical module for indigenous and very small communities

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Table 6: SEA/SH Policies and Implementation

Agency	Legal Basis	Internal Inquiry Committee	SEA/SH Focal Point	Field-Specific Protocols	Key Gap
Finance Department	Protection Against Harassment of Women at the Workplace Act 2010 (and 2022 Amendment)	Yes — mandatory 3-member committee including at least one woman	No dedicated focal point	None	No SEA/SH channel within program GRM; no field-specific protocol for PMU staff
Board of Revenue	Same legal basis	Yes	No dedicated focal point	None	No Patwari-level SEA/SH protocol; no reporting mechanism accessible to rural women engaging with land record services
KPRA	Same legal basis	Yes	No dedicated focal point	None	No confidential SEA/SH intake for women taxpayers during audits, inspections, or TFC visits
ETNCD	Same legal basis	Yes	No dedicated focal point	Code of Conduct displayed in offices	No field-level SEA/SH protocol for ETO enforcement operations; no female officer in any field enforcement role to receive reports

E&SED	Same legal basis	Yes	No dedicated focal point	Gender-segregated reporting streams for women in conservative areas	No specific SEA/SH protocol for female teachers in remote single-teacher schools
Health Department	Same legal basis	Yes	No dedicated focal point	None reported	The expenditure decentralization under DLI 4 reduces female RHC managers' operational dependence on DHOs. The remaining gap is the absence of a confidential SEA/SH reporting channel within the Health Department, addressed through the SEA/SH-sensitive grievance arrangements under PAP Action 2.
BoS	Same legal basis	Yes	No dedicated focal point	None reported	No field-specific SEA/SH protocol for female enumerators during household survey operations in remote and NMD areas

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Table 7: Occupational Health and Safety (OHS) Compliance

Agency	Legal Basis	OHS Measures in Place	IT/E-Waste OHS Provisions	Key Gap
Finance Department	KP Occupational Safety and Health Act 2022	Adherence to KP OSH Act 2022 requirements	None	No specific OHS provisions for IT staff handling obsolete equipment; no Health and Safety Committee confirmed
Board of Revenue	KP OSH Act 2022	General compliance with KP OSH Act 2022	None	OHS provisions not extended to field Patwaris working in remote areas
KPRA	KP OSH Act 2022	No OHS provisions currently in place for staff handling IT	None	Most significant OHS gap of any agency; no Health and Safety

		equipment — explicitly confirmed		Committee; no OHS training recorded
ETNCD	KP OSH Act 2022	General compliance reported	None	No OHS provisions specifically covering e-waste; enforcement field operations lack OHS risk assessment
E&SED	KP OSH Act 2022; Pakistan School Safety Framework (PSSF)	Section 10 of KP OSH Act grants teachers a Right of Refusal to work in dangerously deteriorated buildings; PSSF safety standards for school infrastructure	None	PSSF implementation inconsistent across remote districts; no OHS provisions for IT lab staff in digitized schools
Health Department	KP OSH Act 2022; infection control protocols	Mandatory Hepatitis B vaccinations and Tetanus boosters for waste handlers; PPE provision; chemical hazard management protocols	Limited — biomedical waste protocols partially cover clinical IT equipment	"Hub and spoke" waste transport failure creates OHS risk for primary care waste handlers; IT e-waste not covered by biomedical OHS protocols
BoS	KP OSH Act 2022	General compliance reported	None	No OHS provisions for field enumerators in conflict-affected or remote areas; no specific OHS risk assessment for NMD field operations