

PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: PIDC17791

Project Name	CASA 1000 Community Support Program (P151075)
Region	SOUTH ASIA
Country	Pakistan
Sector(s)	Other social services (40%), Other Renewable Energy (20%), General water, sanitation and flood protection sector (20%), Sub-national government administration (20%)
Theme(s)	Participation and civic engagement (40%), Rural non-farm income generation (20%), Rural services and infrastructure (20%), Other social development (20%)
Lending Instrument	Investment Project Financing
Project ID	P151075
Borrower(s)	Islamic Republic of Pakistan
Implementing Agency	National Transmission and Despatch Company
Environmental Category	B-Partial Assessment
Date PID Prepared/ Updated	06-Feb-2015
Date PID Approved/ Disclosed	13-Feb-2015
Estimated Date of Appraisal Completion	29-May-2015
Estimated Date of Board Approval	30-Sep-2015
Concept Review Decision	Track II - The review did authorize the preparation to continue

I. Introduction and Context

Country Context

A. Regional Context:

CASA 1000 Electricity Transmission and Trade Project is one initiative between Central Asian and South Asian countries that has emerged from a strategic dialogue to create a regional energy market. The World Bank is supporting this transformational regional project that aims to establish the necessary infrastructure and systems to trade roughly 1,300 MW of electricity from Central Asia to South Asia – including 1,000MW to Pakistan and 300MW to Afghanistan. The World Bank’s technical and financial support to this multi-country Project has paved the path to energy trading between the two regions and set the stage for further initiatives towards regional economic

integration. The main infrastructure proposed under CASA 1000 is a Transmission Line (TL) that will extend over 430 km in Kyrgyzstan, cover 120 km in Tajikistan, 560 km in Afghanistan and about 70 km in Pakistan. This Project will play a crucial role in establishing a regional mechanism for electricity trade and will provide electricity to meet Pakistan and Afghanistan's energy needs.

B. Country Context:

Pakistan is faced with significant challenges including poverty, low economic growth, instability and natural disasters. Since 2008, economic growth has averaged 3% per annum. Some underlying reasons for slow growth are inadequate market development and lack of public sector management. One key challenge impacting slow economic growth is power shortages that continue to affect productivity. Power shortages are estimated to be in the region of 4,500 to 5,000 MW which has led to outages during summer reaching 12-16 hours across the country.

Sectoral and Institutional Context

The National Transmission and Despatch Company Limited, responsible for power transmission across the country, is the Implementing Agency for CASA 1000 Electricity Transmission and Trade Project. NTDC has a small Environment and Social Impact Cell (ESIC) that is responsible for overseeing its engagement on social issues. While the Cell has played a key role in overseeing several social aspects of power transmission projects, it is faced with capacity issues. Under a range of power projects such as Dasu Hydropower Project and CASA 1000 Electricity Transmission Project, the World Bank is closely engaged with the NTDC to build the capacity of NTDC, through the ESIC, to manage and address the social impacts stemming from its transmission line investments and other related infrastructure.

Relationship to CAS

The CPS enables CASA-1000 Electricity Transmission and Trade Project to contribute to the Results Area 1 on Energy under the Country Partnership Strategy for FY 2015-19 for Pakistan. Specifically, through promoting the security of the TL, the CSP enables CASA-1000 to meet the overall goal of the World Bank to "address energy security, as the top priority and necessary condition for growth" in Pakistan. Under Cross-Cutting Themes identified in the Country Partnership Strategy, the CSP contributes to the CASA-1000 Project's alignment with "leveraging cross-border and regional opportunities and markets". The CSP promotes security of the TL as well as stakeholder support thus promoting the successful implementation of CASA-1000 as a regional initiative. Further, similar Community Support Programs will be implemented under each partner country of CASA-1000.

From the perspective of its own contribution to the CPS, the CSP project corresponds to the new Country Partnership Strategy for FY 2015-19 in the Results Areas 3 on Inclusion particularly under its Outcome 3.2 on Reduced Vulnerability for Groups at Risk. Those living in border areas affected by violence are identified as a vulnerable group and the CSP is specifically focused on sharing project benefits with them.

II. Proposed Development Objective(s)

Proposed Development Objective(s) (From PCN)

The Project Development Objective is to support local development through improved access to social services and infrastructure for communities living in the Corridor of Impact of CASA 1000 Transmission Line, thereby generating local support for the construction and long term operation of CASA 1000 Transmission Line Project.

Key Results (From PCN)

- Increased number of households benefiting from energy supply
- Increased availability of community infrastructure benefiting communities
- Improved household access to selected social services for communities

III. Preliminary Description

Concept Description

Project Concept:

In Pakistan, the Transmission Line (TL) will pass through approximately 70 km of territory across Khyber Agency in FATA and Frontier Region Peshawar in Khyber Pakhtunkhwa Province (KP) before connecting to a grid station in the vicinity of Peshawar. The CASA 1000 Electricity Transmission and Trade Project has designed mechanisms and measures to manage the overall security risk for the line construction and operation in the longer term. In addition, the CSP will help gain local community support and improve the operating environment for the project through local development assistance and benefit-sharing arrangements under CASA 1000.

The World Bank's engagement in a range of community-related interventions under various projects in several countries including Pakistan has demonstrated the benefits of social support that can provide safe access and better operating environment to infrastructure projects as well as contributing to local development. Within Pakistan, several projects have included community-based interventions to meet the development priorities of local communities who would otherwise be left out of project benefits. These interventions have led to strong local support for the infrastructure investments. The CSP builds on these experiences by initiating community engagement and interventions before the CASA 1000 construction phase begins so that communities are both informed and involved in the Project from the outset.

Project Context:

A background study was conducted under CASA-1000 to assess the situation of local communities along the route of the TL. The study developed a socioeconomic profile of the population along the corridor, disseminated basic project information, carried out consultations with the communities over their development challenges and priorities and assessed local expectations from the project. The study identified the total population in the Transmission Line route to be around 0.114 million people consisting of roughly 8,650 households. The estimated population in the COI is approximately 68,000, which translates into roughly 60% of the population of the TL route. The study conducted an assessment of 13 of 27 villages falling within the entire route of the TL.

The Transmission Line is expected to pass through about 71 km divided into roughly three sections:

- Section A: Shiekh Mohammad Grid Station to Bara – About 20km, a peri-urban area located south-west of Peshawar town. This section is well connected to Peshawar through roads and has a better access to services than other sections. Electricity supply lasts approximately 3-4 hours in a day.
- Section B: Jamrud to Haji Ayub Kaley - Around 30 km stretch dominated by the Afridi tribe. Largely barren terrain. Main livelihood is transport. The area faces acute water shortages as well frequent and long electricity outages. Electricity supply is received for 1-2 hours in the day.
- Section C: Shiekwai to Torkham – Around 20 km stretch of land partly dominated by the Shinwari tribe. The area faces acute shortages (available for 1 hour in a day) of electricity and water.

The household survey conducted for this study revealed a low literacy rate (37% overall) with most of this (93%) classified as functional literacy. There is a wide gender gap in literacy with male literacy at 59% and female at 14%. Using the community's own wealth ranking criteria, the survey estimated that 62% of the sample population to fall within the low income (49%) and very poor (13%) category. Income sources are diversified with main sources being agriculture (16% households), business and self-employment (27%), public sector employment (11%), private sector employment (11%) and other (12%). About 2% households have no sources of income.

Provision and availability of electricity was identified as one of the major issues by residents in the household survey. All villages currently are connected with the national grid and officially declared as “electrified or connected”. However, the term “connected village” does not necessarily mean that all households are served with the service or benefit from electricity on a continuous basis. Shortages, stoppages of electricity supply and low voltage were the major issues raised by the residents. Low voltage in peak hours (5-10 pm) is reported as a major problem especially during the hours when households need electricity the most for lighting, cooking, heating in winter and electric fans during summer evenings. As the area consists mostly of barren hills and is deficient in fuelwood, majority of women use electric heaters, when possible, or dung cakes for cooking. Shortage and low voltage of electricity in the peak hours causes great problems for women at household level.

Provision of safe drinking water and sanitation were other issues raised by the households. The current average in-house availability of safe drinking water in the COI villages is 57%. During the background study, both men and women emphasized access to safe drinking water as a major priority. Only 24% of the households reported in-house pour flush latrine. Alternatively women and children use pit latrines and men use open fields.

Project Description:

The proposed project will consist of interventions along the following components:

(i) Component 1: Social mobilization (US \$ 1.5 million): The social mobilization process will need to first identify the constituent sub-groups of the village in the COI and work with them as CASA Village Committees. A similar approach would need to be followed in the village settlements within the TL route that lie in Peshawar District. Village level organisations will be strengthened and trained to identify and oversee energy and community infrastructure interventions. The women in the project area will be carefully approached during the initial stages through women social mobilizers to seek their opinions and priorities. Deliberations with the CASA Village Committees would need to be regularly shared with women in the households and validated.

The social mobilization approach will ensure that the communities are informed about the Project and support the design and implementation of the TL. Community level organizations will be an important channel for consultations, information-sharing and long-term engagement under the CSP.

(ii) Component II: Community infrastructure and services (US\$7 million): This component will focus on providing access to small infrastructure and making it operational.

a. Sub-component 2 (a) - Energy security (US\$ 2 million): A range of energy related interventions will be undertaken in collaboration with the communities to address their energy

needs. This will include interventions such as solar energy – successfully implemented in other off-grid villages in FATA– as well as other interventions where feasible. Energy needs will be met primarily at the household and community level but livelihoods related energy needs will also be addressed where clusters at an economic level can serve as channels for infrastructure maintenance. Other interventions may include energy conservation measures related to cooking and heating needs.

b. Sub Component 2 (b) - Community infrastructure (US\$ 4 million): The communities also identified the need for clean drinking water, sanitation and schools as other priorities. The project will identify suitable schemes at the village and cluster level. Initial consultation with communities has identified about 5 schools for girls and 7 water supply schemes for quick investment. Further schemes will be assessed and approved in consultation with the communities. As far as possible, existing schemes will be rehabilitated and community arrangements created for sustainable O&M. A percentage of funds available for each village will be allocated to infrastructure schemes identified by women.

c. Sub Component 2 (c) - Support for services, inclusion of other communities and other priority needs (US \$ 1 million): Under this sub-component the Project will invest in operationalizing services that are critical for functionality of community infrastructure. Background studies identified issues such as the existence of schools but with no teachers assigned by the education authorities. Such services will be operationalized in association with other development partners such as PPAF partners operating in the area while efforts are made to ensure continuation of sources through requisite government departments. Other interventions will include measures to facilitate access to services e.g. transport and other needs. Further, priority asset building measures will be undertaken for extremely poor people, particularly those who relocate back to their homes. Other interventions related to relocation of displaced people will be also be considered within the resource constraints. The Project will also consider extending its interventions to communities outside the COI according to availability of funds and to ensure wider benefit sharing and social cohesion. Clear criteria will be developed for this extension . Other efforts for wider benefit sharing will consist of close coordination with other MDTF projects and interventions by development partners to ensure that duplication is avoided and communities outside the COI also continue to be served by development interventions. This component will be flexible and will assign funds on a demand basis according to critical and emerging community needs.

(iii) Component 3 -Project Implementation Support, coordination and communication (US\$ 2 million): This will include a range of functions for not just Project Management, monitoring and evaluation but also (i) communication at all levels including with local communities, other stakeholders and CSPs across participating countries (ii) coordination, lesson learning and synergy of interventions with other CSPs, with implementation entities for CASA:1000 Transmission Project and with other development partners, projects operating in KP and FATA and other initiatives (iii) design of financial mechanisms for supporting community-related interventions after the construction phase and (iv) third party validation.

IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01	x		

Natural Habitats OP/BP 4.04			x
Forests OP/BP 4.36		x	
Pest Management OP 4.09		x	
Physical Cultural Resources OP/BP 4.11		x	
Indigenous Peoples OP/BP 4.10		x	
Involuntary Resettlement OP/BP 4.12			x
Safety of Dams OP/BP 4.37		x	
Projects on International Waterways OP/BP 7.50		x	
Projects in Disputed Areas OP/BP 7.60		x	

V. Financing (in USD Million)

Total Project Cost:	10.00	Total Bank Financing:	0.00
Financing Gap:	0.00		
Financing Source		Amount	
Borrower		0.00	
Community and Capacity Development Support Program		10.00	
Total		10.00	

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