

**INTEGRATED SAFEGUARDS DATA SHEET
ADDITIONAL FINANCING**

Report No.: ISDSA12723

Date ISDS Prepared/Updated: 17-Feb-2016

Date ISDS Approved/Disclosed: 17-Feb-2016

I. BASIC INFORMATION

1. Basic Project Data

Country:	Pakistan	Project ID:	P154777
		Parent Project ID:	P126833
Project Name:	PK: Additional Financing & Restructuring for FATA RLCIP (P154777)		
Parent Project Name:	FATA Rural Livelihoods and Community Infrastructure Project (RLCIP) (P126833)		
Task Team Leader(s):	Kamran Akbar,Shobha Shetty		
Estimated Appraisal Date:	26-May-2015	Estimated Board Date:	01-Apr-2016
Managing Unit:	GFA06	Lending Instrument:	Investment Project Financing
Sector(s):	General agriculture, fishing and forestry sector (40%), Vocational training (15%), Other non-bank financial intermediaries (10%), Other social services (15%), General water, sanitation and flood protection sector (20%)		
Theme(s):	Micro, Small and Medium Enterprise support (5%), Participation and civic engagement (20%), Conflict prevention and post-conflict reconstruction (15%), Rural services and infrastructure (30%), Other rural development (30%)		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?			Yes
Financing (In USD Million)			
Total Project Cost:	7.30	Total Bank Financing:	0.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			0.00
MDTF for Crisi Affected Areas of NWFP/FATA/ Balochistan			7.30
Total			7.30
Environmental Category:	B - Partial Assessment		

Is this a Repeater project?	No
------------------------------------	----

2. Project Development Objective(s)

A. Original Project Development Objectives – Parent

To improve livelihoods and access to basic service infrastructure in selected Agencies in FATA.

B. Proposed Project Development Objectives – Additional Financing (AF)

3. Project Description

The original project is supported through a Multi Donor Trust Fund (MDTF) Grant of US \$12 million and is currently operational in Bajur, Mohmand and South Waziristan agencies whereas North Waziristan Agency was added in to its area of operation on January 29, 2015. The proposed additional grant would help finance the costs associated with expanding project coverage from four (4) agencies in FATA to all the agencies as well as the adjacent Frontier Regions (FR), especially in locations affected by the military operations as well as return and movement of Temporarily Dislocated Persons (TDPs) . The additional grant will facilitate the project TDPs for rehabilitation and restoration of their livelihoods as well as essential community infrastructure. The project will continue supporting the eligible returnees throughout the life of the project facilitating them to lead their development through participatory approaches and access infrastructure and services and improve their livelihoods. Post restructuring the nature of activities will remain largely unchanged and will cover inhabitants of the project agencies as well as FRs residing within the agencies and FRs as well as in the TDP camps and in host communities.

The TDPs will be prepared in advance for their return in a manner that on one hand capacitates them to meet rehabilitation and reconstruction needs and on the other it makes their rehabilitation ‘self-driven and prompt’. The regular RLCIP interventions in this regard, undertaken with TDPs, are likely to contribute to all the Strategic Objectives of PCNA, especially SOs 1 and 2.

RLCIPs will start undertaking mobilization process in TDP camps to begin with, followed by mobilization with hosted TDPs. Depending upon how camps are arranged; social mobilization methodology will be adjusted to focus ‘state-citizen relationship’ as well as the ‘individual good’. The mobilization process will help in identifying social activists, who will be trained in carrying out needs assessment, developing baselines and act as community resource persons. Capacity building for livelihoods restoration will especially focus on youth within the area of operation as well as in make-shift facilities within TDP camp(s) and subsequently with hosted TDPs. The capacity building for livelihood development will not only look at skills development but will also intervene in areas like micro and small business development. During the capacity building phase, TDP beneficiaries will be provided with food and a relevant toolkit. It is understood that a small number will be trained in entrepreneurship, based on their potential.

Once the TDPs start returning, the project will move with them by establishing an Agency Implementation Unit (AIU) or any other appropriate structure agreed by the Bank. With community members already mobilized and trained, it will facilitate the government to kick start the rehabilitation process without any major time lag. The needs assessment will remain an evolving process for some time. With trained community members and implementing partners, it will be less difficult to establish baselines in an otherwise difficult area. It will enable beneficiaries to be part of the needs assessment process in a leadership role, develop understanding that ‘state’ has acted as a

'friend'. With restoration of livelihoods, income generation will start, especially among the youth. Under Component A 'Community Development and Social Organization', Sub-Component A-1 in revised form would include social mobilization with TDPs capacitation and preparing them for livelihood restoration and rehabilitation upon their return. Sub-Component A-2 Institutional Strengthening of Local Groups includes training and capacity building of the involved local communities as well as farmers and other community groups formed and /or revitalized by the project (No Change). A new Sub-component A-3 'Communications and Knowledge Program' will finance a communications and knowledge program to reach the local communities and other stakeholders.

Component B 'Community Infrastructure and Services' will continue to focus on community physical infrastructure prioritized by the communities through their organizations. Inhabitants of the project's operational areas will be provided with training and other allied support while they are displaced and afterwards for rehabilitation.

Component C 'Livelihood Support', will support livelihoods development activities. In sync with KP SADP, this component will have two sub-components. Sub-component C-1 'Advisory Services and Development Support' will support context based interventions for livelihood development which may include: skills training, support for apprenticeship, microenterprise development or any other intervention based on contextual needs including agriculture and livestock. The Sub-Component C-2 'Support to Vulnerable Individuals and Groups' will support vulnerable individuals and groups, fulfilling eligibility criteria as defined in the project operations manual. Component D 'Project Management and Implementation Support' will primarily finance project management.

4. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The Project will be implemented in the crisis-affected rural areas of Federally Administered Tribal Areas (FATA), a semi-autonomous tribal region in the northwest of Pakistan lying between the provinces of Khyber Pakhtunkhwa, Baluchistan and neighboring country Afghanistan. The insurgency and counter insurgency actions in 2009 led to a displacement of approximately 3 million people in FATA and the neighboring Khyber Pakhtunkhwa (KP) regions, have long-term effects on their socio-economic growth, with high unemployment and large scale internal migration. The situation is further exacerbated by the long-standing social inequities and sense of deprivation among the masses resulting from decades of weak governance and the inadequacy of social, economic and physical infrastructure and service delivery systems. FATA region has historically remained amongst the poorest and underdeveloped parts of Pakistan with over 60% of its population living below national poverty line. Though livelihood of majority of people depend on subsistence agriculture and livestock, however, support to these sectors through infrastructure development, institutional strengthening, and community participation has remained minimal. FATA also lags behind other provinces across a wide range of social and economic indicators, with a lag even more pronounced when viewed through a gender lens.

FATA region is basically a hilly terrain with dominant dry barren mountains. Figures for forest cover in FATA are unreliable, ranging from 1% to 8% of the total reported area (FATA Directorate of Forest, 2005) and is declining rapidly due to uncontrolled grazing and timber extraction for commercial usage and fuel wood. The inability of barren hills to retain soil and water is not only causing soil erosion in the area but affecting the quality and quantity of fodder for livestock, drawing down of water table, besides increasing incidences of flash floods. Quality of fresh water resources is also under stress due to over exploitation and inappropriate disposal of wastes.

Under the restructuring the project coverage will be expanded to the remaining FATA agencies and FRs.

5. Environmental and Social Safeguards Specialists

Javaid Afzal (GEN06)

Salma Omar (GSU06)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The project activities under its component B and C can potentially have localized and moderately significant negative impacts. Hence OP 4.01 is triggered
Natural Habitats OP/BP 4.04	No	The project schemes will be implemented within the communities where the natural habitat has long been modified.
Forests OP/BP 4.36	No	Same as above. No forests are exists at or near the places where the schemes will be implemented.
Pest Management OP 4.09	No	The small livelihood schemes though include agricultural schemes are unlikely to cause any increased usage of agro-chemicals.
Physical Cultural Resources OP/BP 4.11	No	No PCR have been identified in the project area.
Indigenous Peoples OP/ BP 4.10	No	No IPs exist in the area.
Involuntary Resettlement OP/BP 4.12	No	Schemes requiring land/asset acquisition are excluded from the project.
Safety of Dams OP/BP 4.37	No	No dams are involved in the project.
Projects on International Waterways OP/BP 7.50	No	No schemes are located in any international waterway.
Projects in Disputed Areas OP/BP 7.60	No	No disputed areas exist at or near the project location.

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

<p>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</p> <p>a. The interventions under Components B and C could potentially cause adverse environmental and social impacts triggering Bank's environment policy OP 4.01. Most of the environmental impacts are likely to occur during the rehabilitation and reconstruction of basic productive and or social infrastructure and may include water and soil contamination, higher dust and noise levels, health and safety hazards for the construction workers as well as nearby communities, and temporary odor issues. Some of the operations related impacts are health related and may result due to the inadequate source for water supply schemes, water contamination due to inadequate water distribution system, and localized water logging due to poorly maintained irrigation channels. Most of these impacts are expected to be temporary and confined to local environment and would be direct, reversible and of short duration. RLCIP has therefore been rated as Environment Category B project.</p>
--

<p>b. The project restructuring does not involve any significant changes in the Components B and C hence the potentially negative impacts and environmental category of the project remain the same.</p> <p>c. There are no indigenous people residing in the project area so none of the Bank’s social safeguard policies will trigger. All land acquisition for community infrastructure and livelihood schemes is acquired through voluntary land donation (VLD). The procedures for these have been finalized in detail and the Project is currently implementing them. VLD procedures have been designed in accordance with Bank guidance and ensure that there are no impacts on the poor or marginalized groups and are truly voluntary in nature. These procedures will continue.. during the implementation of restructured project as well. However, given the large scale displacement of people from North Waziristan and the resultant hardship that people have faced due to the security situation, it is important that the Project does not exacerbate poverty through land donation. The Project will also use third part validation of VLD to ensure that project interventions are truly voluntary in nature and do not place additional burden on impoverished and relocated communities.</p>
<p>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</p>
<p>No indirect or long term adverse environmental impacts are expected to be associated with the project interventions, primarily because of the extent and nature of the small infrastructure schemes being undertaken under the project. On the other hand, the social and productive infrastructure schemes will have long lasting positive impacts on the beneficiary communities.</p>
<p>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</p>
<p>a. The only other alternative is ‘no-project’ option, which could have detrimental effects by denying basic services to the rural population of the project areas. In addition the restoration of such services is linked with enhancing confidence of the local populace in the State and will contribute towards peace building efforts. The ‘no-project’ alternative would though avoid the insignificant, minor and temporary adverse environmental impacts associated with the rehabilitation, expansion and/or up-gradation and construction of the community infrastructure and services; however, would also result in continued environmental degradation; health hazards for the population associated with non- or poorly-functioning services such as water supply and waste management; and less opportunities for livelihood strengthening.</p> <p>b. At preliminary stage of every sub-project technical design, different design options will be considered to avoid resettlement impacts and minimize other social and environment impacts. However, all identified and selected sub-projects will be subject to environmental and social (including resettlement) impact screening in accordance with the ESIA and detailed procedures for these will be included in the project’s Operations Manual. The PMU, line directorates and local community groups in consultation with tribal elders/Jirga and Political Administration will be responsible for following the procedures described in the Operations Manual, in a transparent manner without duress. Those sites will be selected which involve minimum loss of productive land and other resources from the construction and operations of infrastructure.</p>
<p>4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.</p>
<p>The original project was processed as an Emergency Operation under OP 8.0 and was guided by the overall Environmental and Social Screening and Assessment Framework (ESSAF) prepared for all projects under MDTF. The ESSAF defined the environmental and social impact assessment requirements, the planning approach and requirements for assessing and mitigating adverse</p>

environmental and social impacts. In pursuance of the ESSAF requirements, the project conducted an environmental and social assessment (ESA). The ESA that includes an ESMP also identifies potentially negative environmental impacts associated with the activities under Components B and C of the RLCIP and proposes appropriate mitigation measures to mitigate if not totally eliminate these impacts. The ESA also describes institutional arrangements for safeguards management, monitoring mechanism, training needs, and reporting protocols – in order to ensure that the mitigation measures identified in the ESA are adequately implemented and documented/reported.

b. The borrower has limited prior experience of safeguard implementation though during the implementation of the original project, some capacity building has taken place in this respect. The original ESA as well as the Addendum include capacity building and trainings to be conducted for the PMU as well as district staff. Close monitoring and oversight by the Bank's safeguard team is also essentially needed to ensure satisfactory safeguard compliance.

c. To address the proposed inclusion of the remaining FATA agencies and FRs in the project area, the PMU will prepare a brief Addendum to the existing ESA (including ESMP) and obtain clearance from the Bank, before any physical interventions can be initiated in the new areas. The Addendum will also include lessons learned so far with respect to ESMP implementation. The ESA Addendum is likely to be completed by middle of March 2016 and disclosed subsequently.

d. Current status of ESA implementation and lessons learnt. The ESA is under implementation for the original project and the safeguard performance is moderately satisfactory. The institutional setup for safeguard implementation is in place and a fulltime safeguard specialist exists in PMU. Through this specialist, the PMU is preparing mitigation checklists before implementing the infrastructure schemes under Components B and C, as required by the ESA; the PMU is also carrying out safeguard monitoring of the under-implementation schemes; and the PMU is preparing ESMP QPRs as per the formats provided by the Bank's safeguard team for this purpose. The PMU needs to ensure that the mitigation checklists filled before implementing the schemes are included in the construction contracts. Because of the weak capacity for safeguard compliance within PMU and at the agency level, the Bank's safeguard team provides close supervision and guidance on an on-going basis. Frequent meetings and working sessions are held with the PMU for this purpose given that the Bank safeguard team cannot go to the field because of the security concerns. Similar arrangements will need to be continued for the AF and Restructuring as well. The project has established and implemented the procedures for VLD. The VLD criteria ensured that the land should be voluntarily donated without contested ownership and must be free of encroachers, squatters or other claimants and that the owner has the transferrable rights to it. It was also ascertained that the land donation should be less than 10% of total land holding and with free consent and free will without any internal or external undue influences. Once land screening is completed, VLD agreement (a legal document) is duly signed and registered with the Political Administration. This agreement is properly documented and kept as a record by the project to avoid any future issues that may arise due to land donation in the agencies. To increase the capacity of the PMU for developing and implementing VLD procedures, several working sessions were done by the Bank safeguard specialists with the project team. VLD training modules were prepared for capacity building of PMU, AIU, SMP and communities. To enhance the communities' understanding of VLD, topic of VLD was made part of the community consultations, brochures were developed and trainings are also being imparted to the communities by SMP. Similar arrangements will need to be continued for the AF and Restructuring as well.

In accordance with the Grievance Redress Mechanism (GRM) policy of the project, an effective multi-tier GRM has been established and presently functioning at AIUs, PMU and FATA Secretariat levels. GRM policy and protocols have been translated into Urdu for easy understanding of the targeted communities of FATA. These translations are being disseminated in

<p>the form of leaflets and brochures amongst the VOs and COs for increasing awareness about GRM. All complaints received so far have been redressed. Similar arrangements of GRM will continue for the AF and Restructuring as well.</p>
<p>5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.</p>
<p>Despite the fact that the project is a low-risk category B project, the client has been undertaking public consultations to assess the perceived environmental and social risks associated with the project and to suggest and recommend grievance redressal mechanism. Stakeholders of this project involve Directorate of Projects-FATA Secretariat, line directorates, political administration, beneficiary population, local structures including agency development councils, peace (aman) committees, tribal elder (Maliks), Jirga (council of elders), existing community organizations, and other formally or informally organized community groups. The Directorate of Projects has established the Project Management Unit (PMU) which has been ensuring that all relevant stakeholders are fully informed of ESSAF, ESA and the World Bank Safeguard Policy requirements.</p> <p>Consultations will be continued during the restructured project as well. Before the preliminary technical design of each sub-project, the IA and line agencies will consult the potentially affected groups on the potential environmental and social issues, and will take their views into account. The IA will initiate these consultations right after the identification of sub-projects. For the initial consultation, the IAs will provide a summary of the proposed sub-project's objectives, description, and potential impacts.</p> <p>b. The ESSAF has been shared with the FATA Secretariat and Directorate of Projects. It has been disclosed locally by the FATA Secretariat on December 15, 2010 on its website and has also been disclosed at the WB InfoShop. The ESA of the original project has also been disclosed locally and copies sent to InfoShop for its disclosure. The executive summary of original ESA has been disclosed in Urdu and English to the general public and locally to project beneficiary communities, local organizations and shared with all relevant agencies, line directorates, and made available at the websites of FATA Secretariat.</p> <p>The ESA Addendum to be prepared for the Restructuring will also be disclosed in the same manner.</p>

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	13-Dec-2010
Date of submission to InfoShop	15-Dec-2010
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
Pakistan	15-Dec-2010
<p><i>Comments:</i> If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP. NA</p>	
<p>If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.</p>	
<p>If in-country disclosure of any of the above documents is not expected, please explain why:</p>	

NA

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment		
Does the project require a stand-alone EA (including EMP) report?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>] NA [<input checked="" type="checkbox"/>]
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>] NA [<input checked="" type="checkbox"/>]
The World Bank Policy on Disclosure of Information		
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
All Safeguard Policies		
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have costs related to safeguard policy measures been included in the project cost?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

III. APPROVALS

Task Team Leader(s):	Name: Kamran Akbar, Shobha Shetty	
Approved By		
Safeguards Advisor:	Name: Maged Mahmoud Hamed (SA)	Date: 17-Feb-2016
Practice Manager/ Manager:	Name: Shobha Shetty (PMGR)	Date: 17-Feb-2016