

**PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE**

Report No.: PIDA27126

Project Name	FATA TDPs Emergency Recovery Project (P154278)
Region	SOUTH ASIA
Country	Pakistan
Sector(s)	Other social services (75%), Health (25%)
Theme(s)	Social Safety Nets/Social Assistance & Social Care Services (60%), Conflict prevention and post-conflict reconstruction (10%), Child health (20%), Other human development (10%)
Lending Instrument	Investment Project Financing
Project ID	P154278
Borrower(s)	Islamic Republic of Pakistan
Implementing Agency	National Database and Registration Authority (NADRA)
Environmental Category	B-Partial Assessment
Date PID Prepared/Updated	09-Jul-2015
Date PID Approved/Disclosed	16-Jul-2015
Estimated Date of Appraisal Completion	10-Jul-2015
Estimated Date of Board Approval	10-Aug-2015
Appraisal Review Decision (from Decision Note)	The meeting authorized to proceed to appraisal and Negotiations.

I. Project Context

Country Context

With a population of 180 million, Pakistan is the world's sixth most populous country, with GNI per-capita of US\$1,360 in 2013-14 classified as a lower middle-income country. In the past few years, Pakistan had faced significant economic challenges – the cycles of high economic growth interrupted by shocks and crises and followed by relative stagnation.

Pakistan has made considerable progress in reducing absolute poverty and improving shared prosperity. Between 1991 and 2011, the national poverty rate has fallen from 34.7 percent in 2002 to an estimated 13.6 percent in 2011. The real per capita consumption of the bottom 40 percent of the population - a measure of shared prosperity - grew faster than among the top 60 percent. Progress, however, slowed in 2009 due to two massive floods hitting the country, conflict, and the global economic slowdown. Nearly three-quarters of the population are still either poor or vulnerable. Pakistan's recent poverty gains remain fragile in part because many households are clustered near the poverty line.

Pakistan's progress against the Millennium Development Goals (MDGs) targets has been uneven. Despite some improvements, Pakistan remains one of the worst performers against the MDGs in the South Asia Region, especially those that relate to maternal and child health. Stunting among children under five remained around 44 percent in the past few decades. Routine immunization of children in Pakistan has also been stagnating. The proportion of children fully immunized is less than 60 percent, and this figure varies considerably across geographic, social and political boundaries. The regrettable deficits in immunization coverage are reflected in the continued incidence of endemic polio transmission and the recent measles outbreaks especially in the Federally Administered Tribal Areas (FATA).

Sectoral and institutional Context

FATA comprises a group of small administrative units in the northwest of Pakistan, placed between the provinces of Khyber Pakhtunkhwa (KP), Balochistan and the neighboring country of Afghanistan. Years of regional instability underpinned by decades of poor governance have shaped the crisis that continues to unravel in FATA. Although significant efforts have been made in recent years to introduce legal and institutional reforms, marginalization and inequity continue to prevail as the current legislation and institutional framework are inadequate for addressing FATA's considerable development challenges. While poverty rates for FATA have been estimated to be close to 60 percent. Subsequently, socio-economic indicators for FATA have been significantly lagging behind the national average.

In recent years, FATA and KP experienced significant militancy crises. In early 2009, the government launched major security operations to root out the local pockets of militants. Significant damage to physical infrastructure and services led to a large number of Temporarily Displaced Persons (TDPs) losing their homes and livelihoods - approximately 3 million people were displaced. Given the severity of the situation, the Government has carried in 2009 a post-crisis needs assessment (PCNA), resulting in four strategic objectives aiming to address the drivers of the crisis. To facilitate the implementation of these objectives, nine key sectors were identified, such as social protection, governance, education, infrastructure, and health. The KP, FATA and Balochistan Multi-Donor Trust Fund (MDTF), established in 2010 and administered by the Bank, is one of the main financing mechanisms to roll out the implementation of PCNA.

In response to militancy, in June 2014, the Army launched a second security operation in various agencies of FATA. Approximately 315,000 families have moved out. With success of military operations in most areas, the Government has started the TDPs' repatriation process and until May 2015 about 24,000 families have voluntarily returned to their homelands. Returning families require immediate support to restore their livelihoods and restart their lives. To address these challenges, the Government, international organizations, and national NGOs are contemplating relief and rehabilitation assistance. The Government has already started the provision of relief measures such as a lump-sum grant of Rs. 35,000 (US\$350) per beneficiary family. Moreover, the FATA Sustainable Return and Rehabilitation Strategy (FSRRS) was formulated by the Government in March 2015. Under the FSRRS, social protection was identified as one of the top priority sectoral interventions, with cash transfers as an important tool for the emergency response and recovery. The timeline for the FSRRS as envisaged by the FATA Secretariat is 24 months (2015–2016), linked to a phased return of the TDP families planned to be completed by December 2016.

The 2010 PCNA and the recent FSRRS both recognize the importance of safety nets in post crisis

situation and recommend cash transfers as the appropriate tool in the early recovery phase to assist the rehabilitation of displaced population. The proposed project builds on the FSRRS recommendations and aims to directly support the implementation of the recovery and rehabilitation phases of the Strategy. In parallel, projects supported by MDTF and other development partners will contribute to the reconstruction phase by building service delivery systems that can strengthen the state-citizen relationship and ensure the sustainable and long-term development of FATA.

In the context of the social protection sector, the Benazir Income Support Program (BISP), a national safety net supporting the poorest households of Pakistan, is in place since 2008. The Government uses an objective targeting mechanism based on a poverty scorecard for identification of beneficiaries. More than 90 percent of beneficiaries receive their payments through technology based mechanisms. This regular safety net covers about 150,000 families out of a total of 220,000 FATA families registered in the National Socio-Economic Registry. It is estimated that about 30 percent of households in FATA are receiving some form of safety nets, among which 90 percent are provided through BISP. The BISP coverage in FATA is envisaged to expand as the security situation becomes favorable to conduct the poverty scorecard survey for beneficiary identification. In addition to the poverty scorecard, the BISP targeting mechanism relies on biometric identification and verification of beneficiaries, supported by the National Database and Registration Authority (NADRA). The NADRA database and its Computerized National Identification Card were also efficiently used to provide cash support to approximately 1.1 million families affected by the 2011 floods.

FATA is lagging behind in terms of child health indicators compared to the rest of Pakistan. In the aftermath of the militancy crisis and with the return of TDP families, the already inadequate child health outcomes are expected to deteriorate further. In addition, stunting rates in FATA are close to 50 percent and 30 percent of children are classified as underweight. Only 40 percent of children in FATA are fully immunized with a very large contribution to polio cases within the country. The situation requires urgent interventions to address both supply and demand side challenges. The National Immunization Support Project (NISP), currently prepared by the Government with Bank support, aims at strengthening immunization systems and access to services to improve immunization coverage nationwide. In addition, the Government has started to address the low polio immunization rates in FATA by providing polio immunization to children of TDP families in camps and at the FATA entry check-points.

II. Proposed Development Objectives

The Project Development Objective is to support the early recovery of families affected by the militancy crisis, promote child health, and strengthen emergency response safety net delivery systems in the affected areas of FATA.

III. Project Description

Component Name

Component 1: Early Recovery Package for Temporary Displaced Persons

Comments (optional)

This component will support the early recovery of approximately 120,000 TDP families from FATA through; (i) a one-time Early Recovery Grant (ERG) of US\$350 per family and; (ii) a Livelihood Support Grant (LSG) of US\$160 per family in four monthly installments of US\$40. These two cash grants are complementary interventions. All registered TDP families from the five targeted

Agencies are eligible for the ERG, irrespective of their destination, to help them cover large initial expenses to restart their livelihood. For families that choose to voluntarily return to FATA, the LSG, to be delivered at OSS, will serve as a predictable source of income over a limited period of time.

Component Name

Component 2: Promoting child health in selected areas of FATA

Comments (optional)

Under this component, a selection of child health services will be offered to families with children aged 0-24 months in four pilot OSSs which comes to around 40,000 families. The selected services include child health awareness and counseling, screening of children for malnutrition using growth monitoring, immunization services, and referral of complicated cases. Registration of families with children under two years and periodic attendance of awareness sessions at OSS will be accompanied by a Child Wellness Grant (CWG). The cash grant aims to compensate for the opportunity costs of participating in the health awareness and counseling sessions and bringing children to health facilities for regular check-ups. A cash grant of Rs. 7,500 will be provided in three installments.

Component Name

Component 3: Strengthening program management and oversight

Comments (optional)

This component would provide technical assistance (TA) to enhance program management, transparency and accountability at the federal, FATA Secretariat and local level administration. This component will be implemented by NADRA and has been designed to help the Government establish a robust system for cash transfer to beneficiary families, with adequate safeguards, fiduciary oversight, accountability and transparency. The main areas of TA include MIS development, hardware provision, communication, outreach and social mobilization, operational review, beneficiary surveys, and capacity building especially for staff of the FATA Department of Health to deliver services under Component 2. This component will also support the operational costs related to OSS.

IV. Financing (in USD Million)

Total Project Cost:	126.20	Total Bank Financing:	75.00
Financing Gap:	0.00		
For Loans/Credits/Others			Amount
BORROWER/RECIPIENT			51.20
International Development Association (IDA)			75.00
Total			126.20

V. Implementation

The EAD will be responsible for the overall coordination and monitoring of the project. The EAD assumes the responsibility for donor coordination and reporting, and for managing funds flows from the Ministry of Finance (MoF) to the commercial banks' accounts. The EAD will also provide the platform for the required coordination of the project with the NADRA and the key government agencies of FATA. To ensure effective coordination, a Memorandum of Understanding will be signed by all the project implementing stakeholders from FATA Secretariat (representing DoH & FDMA), Payment Service Providers, and NADRA to agree on respective responsibilities and to get the stakeholders consent to translate these responsibilities into implementation in accordance with

the Project Operational Manual (POM).

NADRA will be the lead technical agency of the project. NADRA will provide all technical and operational support for the field implementation of the project. NADRA's competency is based on the institution's experience gained from the past emergency operations including the earthquake and flood responses, as well as supporting the implementation of BISP. The POM, which NADRA has already developed will provide all concerned stakeholders with guidance on implementation procedures.

An Operations Steering Committee (OSC), composed of key stakeholders including EAD, MoF, Ministry of States and Frontier Regions (SAFRON), S&M Secretariat, and the allied government departments' agencies of FATA, will provide overall operational oversight and decision making support. The OSC will be convened by EAD every quarter. Furthermore, an Operational Review Committee will be established and meet on a monthly basis to resolve project operational issues. The POM and key process-based agreements with the stakeholders will be endorsed by the members of the Steering Committee. In addition, the Project Management Unit set up in EAD will report progress to both the Steering Committee and Operational Review Committee as their Secretariat.

The OSS to be set up by NADRA will support project implementation and operations in the field for registration, verification and payment of all eligible beneficiaries, as well as provision of child health services for eligible beneficiaries. Opening of OSS will be phased according to TDPs return schedule. The implementation of the OSS by NADRA will require close coordination with the FATA government agencies. The child health services will be rolled out in four pilot OSSs in the first stage. The potential rollout will follow assessment of the intervention with respect to take-up of various services and delivery of benefits.

The project beneficiaries will be able to access the OSS to submit appeals concerning enrollments, verification, ERG, LSG, and CWG payments, and the quality of services being provided, as well as information updates. The OSS will also include a MIS based grievance redress module to be managed by NADRA and DoH, partner agencies, that will address grievances as per the agreed procedures laid on in the POM.

The project will follow a multiple approach for social mobilization, including: social mobilization and awareness at village level especially for women and remote communities; a Gender Strategy for both supply and demand side issues to address gender concerns; strategic communications for a consistent outreach approach to enhance understanding among key stakeholders; and comprehensive beneficiary awareness and mobilization campaign to sensitize potential beneficiaries prior to the activation of the OSS. Standardized communication guidelines for beneficiary facilitation at the OSS will also be prepared.

VI. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
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

Comments (optional)

VII. Contact point

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