

PROGRAM-FOR-RESULTS INFORMATION DOCUMENT (PID)

APPRAISAL STAGE

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I. Country Context

Pakistan, with a population of over 207 million people, is the world's sixth most populous country. In recent years, it has achieved continued gross domestic product growth and substantially reduced poverty. Gross domestic product growth was 5.3 percent in FY16/17 and is expected to continue accelerating, reaching 5.8 percent in FY19. Growing fiscal and external imbalances may, however, erode these gains if not addressed. The national poverty headcount declined from 64.3 percent in FY02 to 29.5 percent in FY14. Nevertheless, inequality persists and the country continues to rank low on the human development index, at 147 out of 188 countries. Macroeconomic, political, and security conditions, natural disasters, and persistent unreliable power supply continue to constrain the country's achievement of poverty reduction and shared prosperity goals.

Several factors, including rapid population growth, industrialization, urbanization, and motorization, have resulted in growing environmental degradation and pollution. Pakistan ranked 169 out of 180 countries on Yale's 2018 Environmental Performance Index. It ranked 177 on the environmental health sub-index (air quality, water and sanitation, and exposure to heavy metals), ahead only of India, Nepal and Bangladesh. Pollution is estimated to have caused around 340,000 deaths per year in Pakistan, over 70 percent of which are caused by air pollution. This represents a quarter of total annual deaths in the country, making Pakistan one of the world's most affected countries. A recent World Bank study estimated that in 2013 air pollution alone caused welfare losses and foregone labor output equivalent to 5.9 percent and 0.8 percent of gross domestic product, respectively. Rapidly growing energy consumption in Pakistan has also resulted in increased emissions of both greenhouse gases (GHGs) and associated air pollutant emissions, such as particulate matter (PM), from its energy generation and consumption sectors. In addition to air pollution, water pollution has deteriorated the quality of Pakistan's water resources and become one of leading public health threats. This has further exacerbated water scarcity of Pakistan, one of the world's most water-scarce and climate-vulnerable

countries. In this regard, improving air and water quality of Pakistan will have positive impacts on public health and contribute to both climate mitigation and adaptation efforts of the country.

Addressing pollution is key to reduce poverty and improve gender equality. Like in many other countries, the poor in Pakistan generally bear the brunt of pollution, as they are more likely to live and work in polluted areas and have less capacity to pay for access to cleaner air or water. While gender-informed analysis is lacking in Pakistan, women and children have been known to be disproportionately affected by pollution and environmental degradation in low- and middle-income countries, notably due to rising PM concentrations in cities. Improving gender equality has been identified as an indirect benefit of reducing pollution, as clear gender gaps exist in terms of women and girls' higher exposure to indoor air pollution and time spent fetching clean water reducing opportunities for productive work and education. Children are highly sensitive to air and water pollutants, and even very low exposure to some toxics during pregnancy or early infancy can have life-time consequences in terms of birth defects, diseases, disability, cognitive impairment and death. This in turn impacts women, who are often the primary caretakers for children and other particularly vulnerable groups, such as the elderly.

II. Sectoral and Institutional Context

Punjab, Pakistan's most populated and second largest province accounting for more than half of the country's gross domestic product, is particularly affected by pollution. Lahore, the country's second largest city with over 11 million inhabitants, is one of the world's most polluted cities and has been increasingly affected by toxic smog in recent years, caused notably by increasing emissions from industries,¹ vehicles, power generation, and open trash and crop burning. Smog from Lahore and other cities in Punjab can extend throughout the province depending on the season and weather patterns. Moreover, surface water and groundwater are seriously polluted due to untreated municipal, agricultural, and industrial wastewater. In the absence of adequate facilities, solid waste is disposed of with minimum sanitary measures. Current trends, including industrialization and urbanization, suggest that issues related to air, water, and soil pollution in Punjab will worsen unless the institutional and technical capacity of organizations responsible for pollution management are strengthened, and unless targeted interventions are adopted to control such pollution releases and promote a greener growth trajectory.

Ambitious efforts are needed in Punjab to reduce the rising social and economic costs of environmental degradation. Pollution is responsible for major health costs and risks (for example, recent increase in traffic accidents due to smog) for residents of the province. It is also slowing productivity in sectors such as leather, transport, and agriculture.² Likewise, growing energy demand and erratic energy supply contribute to pollution due to the common use of small diesel electric generators and have increased the pressure for improved energy efficiency (EE) in the different sectors of the economy. In industries, studies have shown that significant potential exists to introduce cost-effective technologies and practices for more resource-efficient and cleaner production (RECP) that would foster firms' competitiveness while reducing their environmental footprint and energy consumption. There is also clear scope for progress in sectors such as waste management, transport, and agriculture. Several policies, regulations, and interventions to address environmental challenges have been implemented over the last 20 years in Punjab (for example, establishment of Cleaner Production Centers, ban on the burning of agricultural and municipal solid wastes, closing of polluting

¹ Many industrial units of all sizes use furnace oil with high sulphur content. Moreover, small and medium enterprises (SMEs) such as brick kilns and steel rerolling mills often use 'waste' fuels (for example, old tires, paper, wood, textile waste).

² World Bank. 2014. *Revitalizing Industrial Growth in Pakistan*.

steel mills, increase in vehicle controls). However, the lack of effective environmental governance and comprehensive green growth strategies and of instruments to promote green investments is an obstacle to reduce pollution discharges from all sectors and promote the sustainable development of the province.

Environmental management is decentralized in Pakistan and provincial authorities in Punjab are committed to improving their capacity to address environmental degradation. The 18th Constitutional Amendment, adopted in 2010, devolved, among others, the responsibility for environmental planning, pollution control, and pollution prevention to the provinces, which still have very limited capacity to carry out such responsibilities. In 2015, the Government of Punjab (GoPunjab) adopted an Environment Policy laying out its vision and priorities for environmental management in the province.³ Since then, GoPunjab has been under increasing pressure to act to curb the growing smog crisis, which has made national and international headlines,⁴ with citizens vocal on social media and presenting their cases in courts.⁵ To improve the environmental governance and ensure sustainable development of its economy, GoPunjab has requested the World Bank's support to address environmental challenges faced by the province.

The proposed Punjab Green Development Program (GDP) will support the provincial authorities' renewed efforts to strengthen environmental management and mainstream green development. The scope and priorities of the Program were developed through extensive stakeholder consultations organized during Program preparation. These include strengthening the technical and administrative capacity of the provincial Environmental Protection Department (EPD) and its Environmental Protection Agency (EPA) to provide better services to the population and the private sector; modernizing the legal and regulatory framework; and promoting investments in cleaner technologies at the provincial level to reduce air and water pollution releases from priority sectors.

III. Program Scope

GoPunjab has developed a broad program to address environmental issues and promote green development in Punjab in the short, medium, and long term. This program is presented in recent strategic documents adopted by GoPunjab, such as the Punjab Environment Policy 2015, the Punjab Smog Policy 2017, and the Punjab Climate Change Policy (under preparation).

The Punjab GDP is a subset of GoPunjab's planned environmental expenditures, encompassing ongoing activities and key new priorities. Based on the government's strategies for environmental management and green development, the review of budget items under the Government's program, stakeholders' recommendations, the EPD restructuring studies supported by the World Bank's Jobs and Competitiveness (J&C) Program, and international best practices, GoPunjab and the World Bank determined the scope for the Punjab GDP including both existing budget items and a number of new activities. Several environmental and sustainable development priorities of GoPunjab such as agriculture, forestry, public transportation, water supply and sanitation, and flood control were not included in the Program's scope, because they are already supported by other donor operations

³ <http://epd.punjab.gov.pk/system/files/Draft%20Punjab%20Environment%20Policy%202015.pdf>.

⁴ For instance: "Is Punjab ready to tackle smog this year?" (Dawn, October 14, 2017); "In Lahore, Pakistan, Smog Has Become a 'Fifth Season'" (New York Times, November 10, 2017); "Up in Smog" (The News on Sunday, November 12, 2017).

⁵ On October 21, 2017, GoPunjab introduced a 'Policy and Action Plan for Control, Mitigation, Advisory and Protective Measures in Extreme Weather Conditions of Dense Smog in the Punjab', after the Lahore High Court set a deadline for such a smog policy to be adopted

(<http://epd.punjab.gov.pk/system/files/Policy%20on%20Controlling%20Smog%20%28Final%29.pdf>).

(including those of the World Bank Group) or require investments that are best supported by Investment or Development Policy Financing.

The planned Program expenditures over five years amount to US\$273 million, of which US\$200 million will be financed by IDA. The proposed Punjab GDP will finance a total of 18 budget items. These items include (a) eight selected activities featured in the MTF (2017–2020) and ADPs (2017–2018), four of which have expanded scopes to better contribute to the PDOs, and (b) ten new activities that GoPunjab has agreed to add in MTF (2018–2021) and ADPs (2018–2019) for the Environment, Finance, Energy, and Transport sectors. Overall, the corresponding expenditures will finance a mix of regulatory and institutional reforms, capacity building and TA, green investments in both public and private sectors, small scale infrastructure development, monitoring and evaluation (M&E), and communications and citizen engagement activities.

Results Area 1: Strengthening Environmental Governance

EPD restructuring and capacity building. The Program will support the EPD to improve its organizational structure, reform its regulatory regime, and modernize its administrative procedures and systems. Institutionally, this will include the creation of an EMC with a network of air and water quality monitoring equipment and a reference laboratory; an EPC to support sound environmental policy making (for example, pollution management, resource uses, and climate mitigation/adaptation); and an ETC to identify, pilot, and demonstrate RECP and pollution control technologies for priority sectors and GHG sources. To address the lack of facilities that drastically limit the EPD's capacity to perform its functions, the Program will also finance the construction of a green building in Lahore to host the EMC and other EPD agencies.

To provide better and more transparent services to the public and private sector, EPD's procedures and systems will be improved under the Program, including environmental approval; grievance redress; environmental monitoring, inspection, and enforcement; interagency coordination; and environmental information disclosure and citizen engagement. TA and capacity-building activities will also be conducted to strengthen the EPD's technical and administrative capacity, and to improve other provincial departments' capacity to manage environmental and social issues, including those potentially arising from Program-supported activities. Finally, the Program will support industrial associations to develop their technical knowledge and understanding of available green/RECP technologies.

Regulatory reforms. GoPunab's environmental policies, laws and standards will be updated or established under the Program. This will notably include the preparation of the following:

- a. **Legislation.** (i) Revision of the Environmental Protection Act 1997, and (ii) development of an environmental information disclosure and citizen engagement regulation.
- b. **Policy initiatives.** (i) Pollutant release and transfer register; (ii) pollution levy system; (iii) health advisory system targeting vulnerable groups (for example, women and children); (iv) strategies for air/water quality, and integrated waste management; and (v) development and implementation of a plastics management strategy and a regulation on the production and consumption of single-use plastics.
- c. **Environmental standards.** Revision of provincial environmental quality standards and development of new ones, including industry-specific standards.
- d. **Studies.** (i) Pollution impacts on public health with a focus on vulnerable groups, including the poor, women, children, and the elderly; (ii) sustainable transport strategy, notably considering

ways to improve vehicle fuel efficiency, promote public transport, reduce traffic congestion, and pollutant emission; and (iii) green industrial and industrial estate development strategy.

Given the large contribution of vehicles to air pollution, the Program will support GoPunjab to strengthen its control over vehicle emissions. Specifically, the Transport Department will expand the scope of its existing PPP for the Vehicle Inspection and Certification System (VICS) to cover the entire fleet including private vehicles. It will also study the institutional and regulatory framework needed to ensure compliance of new vehicles with safety and emission standards, with a focus on rickshaw production. Finally, the Program will help EPD develop its capacity to test emission of new vehicle engines.

Information disclosure and citizen engagement. The Program will strengthen EPD's capacity to disclose environmental information and engage citizens in environmental management through (a) the timely disclosure of environmental monitoring data online and through other channels (such as TV, newspaper, and radio) in both English and Urdu; (b) the annual public consultation and publication of a report on the State of Punjab's Environment in both English and Urdu; (c) the strengthening of existing citizen feedback and grievance redress schemes (for example, telephone hotlines and interactive internet portal); and (d) awareness campaigns on pollution management (for example, the management of single-use plastics) and green development.

Implementation support. EPD's capacity to lead overall Program implementation will be strengthened. Specifically, GoPunjab has decided to increase budget support to the EPD's Strategic Project Implementation Unit (SPIU) to manage Program implementation, including the creation of a Social Unit within the SPU to management of social aspects of Program activities. In addition, GoPunjab will mobilize external technical expertise for implementation as needed and an independent firm for the verification of Program results.

Results Area 2: Promoting Green Investments

Under the Program, GoPunjab will promote green financing as a way to mobilize resources for green investments beyond the Program's implementation period, and will directly support priority green investments in both the public and private sectors.

(a) Green Financing

Recognizing the importance of long-term financing for green investments, the Punjab GDP will support the development of a green financing strategy and an EEF.

Green Financing Strategy. The Finance Department (FD) will develop this strategy in close coordination with the EPD, ICID, and other public and private stakeholders. Four aspects of green financing will be explored:

- a. **Green Banking Guidelines.** The strategy will examine how to support commercial banks to operationalize the State Bank of Pakistan (SBP)'s October 2017 Green Banking Guidelines. Specifically, GoPunjab will work with commercial banks to improve their capacity to manage environmental and climate risks associated with their investment portfolios and promote green investments.
- b. **Green SME financing.** GoPunjab will work with commercial banks to design effective mechanisms to enhance SMEs' access to finance for green investments. In line with

international best practices, such a scheme would enhance credit access on a commercial basis, focus on lowering risk through instruments such as credit risk guarantees (CRGs), and provide technical support and incentives to SMEs to prepare bankable projects for sound green investments. This work will be coordinated with SBP's national-level SME finance initiatives.

- c. **PPPs for environmental infrastructure.** The strategy will explore the opportunities and constraints for GoPunjab to make better use of PPPs to finance key public infrastructure to address Punjab's environmental challenges (for example, wastewater treatment and waste management facilities).
- d. **Green bonds/sukuk.** To mobilize domestic capital markets as a sustainable source of finance for green investments, the FD will develop a set of principles for the issuance of green bonds/sukuk (Islamic bonds).

EEF. In line with the Punjab Environmental Protection Act, 1997 (Amended 2012), which authorizes the creation of a provincial fund to finance environmental projects, GoPunjab will establish the EEF, including (a) establishment of the board, secretariat, and selection of a professional fund manager; (b) capitalization of the fund with US\$55 million from the Program; and (c) adoption of fund management procedures (for example, selection and financing of proposals, M&E, and reporting on the use of fund resources). Through the secretariat, the fund will issue regular calls for proposals to finance research, RECP pilots and demonstration activities, civil society proposals, and awareness-raising activities. The EEF will also set up a window for proposals that particularly benefit vulnerable groups. It is expected that GoPunjab will continue contributing to this fund to gradually strengthen its financial capacity and long-term impacts.

(b) Public Sector

The Program will include two areas of interventions in the public sector to generate quick results to reduce air and water pollution, as well as GHG emissions: energy efficiency and conservation and demonstration of low-cost domestic wastewater treatment technologies. For the first, the Punjab Energy Efficiency and Conservation Agency (PEECA) of the Energy Department will install energy-efficient light bulbs and electric fans in the 50 public institutions in Punjab with the highest energy consumption. PEECA will also develop (a) an Energy Conservation and Efficiency Strategy and Policy for the province, (b) a study on energy consumption norms for energy-intensive industries and the public sector, and (c) energy efficiency standards and labeling for air conditioners. For the second, EPD will identify, design, and pilot low-cost and decentralized technologies, such as constructed wetland, to treat domestic wastewaters for small towns, villages, housing colonies, etc. GoPunjab plans to use public land for all pilot areas, which will be selected through stakeholder consultations. In addition to reducing the releases of local air pollutants (such as oxides of nitrogen and sulfur and fly ash) and water pollutants (such as organic matters and nitrogen), these pilots will contribute to both climate adaptation, by facilitating decentralized access to clean water, and mitigation, by reducing the energy needed to treat wastewater and related GHG emissions.

(c) Private Sector - RECP Piloting and Demonstration

EPD will support the identification, piloting, and province-wide demonstration of suitable RECP technologies for Punjab's industries. The technologies to be demonstrated are expected to improve both the financial and environmental performances of polluting firms. All beneficiary firms will commit to achieving environmental compliance at successful completion of their investments. Direct support to SMEs with low technical and financial capacity through matching grants is justified by the large

environmental externalities addressed in terms of air pollution, GHG emissions and water pollution, and by the strong expected demonstration effects. The specific RECP technologies, levels of support and criteria for firm selection will be disclosed and consulted with the relevant industrial associations before the launching of pilots. Piloted technologies with the highest potential to help industries achieve environmental compliance will be recommended for future scaling up. In this regard, the EPD will assist SMEs interested in adopting demonstrated RECP technologies to prepare loan proposals, connect them with commercial lenders, and support them through the loan appraisal processes.

RECP piloting and demonstration efforts will focus on a few priority polluting sectors and will directly support a small number of SMEs in each of them. During Program preparation, the following two priority sectors were identified—brick kilns and leather. It is estimated that Punjab has over 10,000 kilns. Brick making is a large source of employment and income, but also a major contributor to air pollution and GHG emissions. While mature cleaner production technologies have been widely adopted elsewhere in South Asia, they are still new to Pakistan with only one such technology successfully piloted at a kiln in Raiwind, Punjab in 2017 with external TA and partial financial support from EPD.

As Pakistan's second largest export industry, the leather sector employs between 500,000 and 1,000,000 workers. As a major source of water use and pollution, the sector's incapacity to comply with international buyers' environmental and social standards has become a significant threat to competitiveness, contributing to a recent decline in exports. Program support for RECP technologies in the sector will help it improve its environmental compliance.

In the leather sector, the Program will also support an initiative to relocate polluting tanneries in the city of Sialkot to a dedicated industrial estate. Sialkot is one of three tannery centers in Punjab with 250 tanneries (about one-third of tanneries in the country), which are operating in 10 clusters in the city with very limited wastewater treatment and are thus polluting the groundwater. Under the Program, GoPunjab will support the industry-led Sialkot Tannery Zone (STZ) project by financing the construction of (a) a grid connection station, (b) the zone's wastewater collection system, (c) a training center with a focus on RECP technologies and OHS, and (d) financial incentives for tanners to transfer their production to STZ. In addition, individual tanners will have opportunities to access the Program's RECP pilot/demonstration scheme based on their eligibility. All Sialkot tanners receiving Program support will commit to achieve full environmental compliance after the completion of their RECP investments.

Following MFD principles, the Program was designed to use public resources to leverage private capital for green development. Part of the Program resources will be used to (a) develop core public sector functions related to environmental governance and management, strengthening enforcement and public pressure for polluting industries to reduce their environmental footprint. Additionally, the Program will use public funding to catalyze private investment by (a) providing technical support and limited grants to pilot and demonstrate RECP technologies in targeted polluting industries; (b) supporting firms to mobilize commercial financing for the scaling up of these technologies; (c) improving the capacity of banks to implement the SBP's Green Banking Guidelines; and (d) developing the capacity of GoPunjab to mobilize sustainable financing for green investments through bond markets and PPPs.

The Program will have positive impacts on women and other vulnerable population groups in Punjab. Women, children and the elderly are particularly vulnerable to degraded environmental quality. Positive impacts from the Program will stem from its contribution to improved occupational health and

safety (OHS) and labor conditions in beneficiary firms, and reduced air and water pollution discharges into the environment. In addition, the Program will use the proposed study on health impacts of pollution in Punjab to collect and disseminate evidence on the scale and severity of such impacts, notably on women and girls. The EPD will also develop a health advisory system targeting women and other vulnerable demographics based on air quality indices. Finally, the Program will set up a funding window to finance environmental protection proposals that particularly benefit vulnerable groups.

IV. Program Development Objective(s)

The PDOs of the Punjab GDP are to strengthen environmental governance and promote green investments in Punjab. Accordingly, the Program will cover two results areas: (a) strengthening environmental governance and (b) promoting green investments. The first results area will help the Program achieve the first PDO by restructuring the EPD, reforming the environmental regulatory regimes, and building the EPD's capacity to deliver transparent and efficient environmental management services to the private sector and to the public. The second results area will help the Program achieve the second PDO by promoting selected green investments in both the public and private sectors and developing green financing schemes to finance such investments beyond the implementation period of this Program. Together, these efforts will help GoPunjab address pollution issues from the source, improve energy and resource efficiency in targeted sectors, and increase green competitiveness of key industries. For this Program, green investments are defined as investments in infrastructure, facilities, technologies, and practices that contribute substantially to an improved environment compared to traditional investments.

V. Environmental and Social Effects

Successful implementation of the Program will generate positive E&S effects for the population of Punjab. The Program, as defined by its PDOs, results areas, DLIs and budget items, will help GoPunjab improve its environmental regulatory systems and strengthen its EPD's technical capacity and human and financial resources to better manage the Province's environment challenges. It will allow GoPunjab to use multiple instruments to steer public and private investments toward a sustainable development path, minimizing pollution discharges and the associated environmental and health impacts from such investments.

The Program, however, will pose substantial E&S risks if business-as-usual is maintained in managing the E&S effects of its regulatory reform and green investment activities. Specifically, such E&S risks are associated with: (a) inability to address potential social issues in the regulatory reform, capacity building, EPD restructuring, strategy development and citizen engagements; (b) poor construction quality of physical structures; (c) poor OHS records in operations and maintenance of industrial facilities, (d) unsafe disposal of replaced equipment and wastes; (d) land acquisition for green building and pilot wastewater treatment sites; and (e) transfer of tannery production to the STZ. Such risks are manageable if the Program's promoted regulatory reform, capacity building and green investments can be properly designed and implemented with full stakeholder consultation and the adoption of international best practices that are most suitable to local conditions.

By fully identifying and addressing the needs and concerns of all stakeholders, the Program's support to citizen engagement in environmental management will further ensure potential E&S risks be properly identified and managed. Specifically, its support to regulatory reform, EPD's information disclosure channels in both English and Urdu, annual consultation of the State of Punjab's Environment

Report, and the interactive Internet portal for public inputs in environmental management will help mitigate potential E&S risks of the Program. These commitments are reflected in the Program's specific DLI on information disclosure and citizen engagement. In addition to these activities, consultations will be performed for all investment activities to ensure full support of stakeholders.

Legal, policy, and institutional framework. The Program's Environmental and Social Systems Assessment (ESSA) concluded that the applicable policy and regulatory framework was broadly adequate to address the E&S risks related to Program activities, and that the Program will help upgrade/strengthen it. However, the enforcement of rules and the overall environmental governance remain weak, justifying the Program's focus on their strengthening under Results Area 1. Gaps in the legislation related to land acquisition (for example, compensation of non-titleholders, loss of livelihoods) and lapses in its implementation were also noted as weaknesses to address for Program activities. While public consultations are generally better in donor-financed projects and a complaint cell is active at EPA, the lack of grievance redress mechanism at the program level was noted as a weakness to be corrected and the development of a comprehensive stakeholder consultation and engagement strategy was recommended. The experience accumulated in Punjab through the Cleaner Production Centers was found to be highly relevant to mitigate negative environmental impacts in supported industries. Additionally, the interest expressed by Sialkot tanneries to seek certification under the E&S auditing process of the international LWG is also a positive aspect to mitigate risks.

Capacity assessment. The ESSA concluded that Punjab has the institutional basis to manage Program E&S risks, but that Program implementing agencies' human and financial capacity should be strengthened following an incremental, risk-based approach. The EPD plays a key role but currently functions with moderate efficacy and with insufficient resources for some sections, such as the ones in charge of IEE/ EIA review and monitoring and of the laboratory. EPD's focus on environmental dimensions and limited capacity to address social risks were also noted. Institutional strengthening, capacity building and the adoption of standard operating procedures to manage social and labor issues were recommended for EPD and other implementing agencies. The restructuring and capacity building to the EPD are key parts of the Program and will help mitigate the Program's E&S risks.

Special attention was made to identify and address the gender-specific impacts of pollution. There is ample evidence at the global level that air and water pollution have disproportionate impacts on pregnant women and children (cf. Section 1). To address this, the Program will (a) conduct a study on health impacts of pollution to provide currently missing data on this issue in Punjab, (b) develop a health advisory system targeting women and other vulnerable demographics based on air quality indices, (c) include gender specific needs in OHS training of the Program's green investments; (d) target female employees in RECP training; and (e) set up a funding window under the EEF to finance environmental protection proposals that particularly benefit vulnerable groups. Additionally, the Women Development Department will sit on the PSC to ensure all Program activities adequately consider gender aspects.

Proposed actions. A number of actions to mitigate Program E&S risks were put forward by the ESSA for inclusion in the PAP, related mainly to (a) the institutional strengthening of the EPD/EPA and other implementing agencies and (b) the preparation of studies and adoption of environmental management plan for specific Program activities (for example, Sialkot tanneries and appliance replacement).

Grievance redress. Communities and individuals who believe that they are adversely affected as a result of a Bank supported PforR operation, as defined by the applicable policy and procedures, may submit

complaints to the existing program grievance redress mechanism or the WB’s Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address pertinent concerns. Affected communities and individuals may submit their complaint to the WB’s independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank’s attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank’s corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org. In addition to the GRS, a Program level GRM will be set up at the provincial level, strengthening the GRM of EPD and complementing the existing citizen complaints and feedback helplines of GoPunjab.

VI. Financing

Source	Amount (US\$, millions)	Percentage of Total
Government	73	27
IDA	200	73
Total Program Financing	273	100

VII. Program Institutional and Implementation Arrangements

Institutional arrangements for Program implementation were decided by GoPunjab through multiple rounds of stakeholder consultations. At the Program level, it will establish a Program Steering Committee (PSC) to provide strategic guidance and overall supervision to Program implementation. The PSC will be chaired by the Chairman of the P&D Department. Its members include Secretaries of Finance, Environment, Industries, Transport, Energy, Women Development, Labor and HUD&PHED, as well as a representative of the Chambers of Commerce. The PSC will hold scheduled semiannual meetings to review program implementation and organize additional meetings at the request of PSC members to review specific implementation issues. Given the multi-sectoral nature of this Program, the P&D Department agreed to use the existing Environment Wing of the department as the Program Coordination Unit of the Program. The Unit is headed by the Member Environment and Climate Change in the P&D Department to provide administrative support to the PSC and coordinate all stakeholders to properly implement the Program.

Program implementation will be carried out by one executing agency and three implementing agencies. As the main proponent of this Program, the EPD will serve as the executing agency of the Program and be in charge of overall project implementation through close cooperation with the three implementing agencies and relevant industrial associations. The EPD will implement its activities and maintain close cooperation with other stakeholders through its SPIU, which will serve as a program implementation unit. Each implementing agency will carry out its respective activities under the Program through a Program Delivery Unit (PDU), which is an existing unit of the agency. The EPD and all implementing agencies will follow the Government’s policies and procedures to perform procurement, financial management (FM), and environmental and social (E&S) safeguard activities of their respective budget items.

VIII. Contact point

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