

**COMBINED PROJECT INFORMATION DOCUMENTS / INTEGRATED
SAFEGUARDS DATA SHEET (PID/ISDS)
CONCEPT STAGE**

Report No.: PIDISDSC17823

Date Prepared/Updated: 23-May-2016

I. BASIC INFORMATION

A. Basic Project Data

Country:	Pakistan	Project ID:	P158099
		Parent Project ID (if any):	
Project Name:	PK: Punjab Cultural and Heritage Tourism Promotion Project (P158099)		
Region:	SOUTH ASIA		
Estimated Appraisal Date:	04-Jul-2016	Estimated Board Date:	15-Nov-2016
Practice Area (Lead):	Agriculture	Lending Instrument:	Investment Project Financing
Sector(s):	Other industry (60%), Vocational training (20%), Rural and Inter-Urban Roads and Highways (20%)		
Theme(s):	Cultural Heritage (40%), Rural non-farm income generation (20%), Other Private Sector Development (20%), Regional integration (20%)		
Borrower(s):	Economic Affairs Division, Government of Pakistan		
Implementing Agency:	Punjab resource Management		
Financing (in USD Million)			
	Financing Source	Amount	
	BORROWER/RECIPIENT	5.00	
	International Development Association (IDA)	50.00	
	Financing Gap	0.00	
	Total Project Cost	55.00	
Environmental Category:	B - Partial Assessment		
Concept Review Decision:	Track II - The review did authorize the preparation to continue		
Is this a Repeater project?	No		

Other Decision (as needed):	
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B. Introduction and Context

Country Context

1. Pakistan's economy has returned to growth after some difficult years but the country's trade and investment records leave room for improvement. The gross domestic product (GDP) per capita grew by an average of 1.9 percent per year in the decade ending 2014. The economy grew rapidly at the beginning (2005-06) and end (2014) of this period while growth per capita was stagnant in 2008-11 (partly as a result of the global economic slowdown). Net inflows of foreign direct investment (FDI) averaged 1.7 percent of GDP per year during the decade and inflows of FDI were particularly depressed in the second half of this period. Pakistan's trade deficit has remained large over time. In 2014, exports of goods and services exceeded imports of goods and services by 53 percent. Pakistan could attain a higher economic growth rate if it attracted more productive investment. The announcement made in 2015 of a new US\$46 billion China-Pakistan Economic Corridor should help to boost trade and investment in the coming years.

2. The national poverty rate fell from 35 percent in 2002 to 14 percent in 2011. High underemployment leaves a large share of the population in a precarious economic situation. Pakistan has the second lowest headcount poverty rate in the South Asia Region after Sri Lanka according to national statistics. Many Pakistani families are just above the official poverty rate, however, generating more and better job opportunities for a rapidly growing population is one of the great challenges facing the Government of Pakistan (GoP). Few citizens have the incentive or can afford to register as unemployed. Thus, only 5-6 percent of the labor force are officially unemployed. But nearly two-thirds of those employed are classified to be in vulnerable employment. In 2014, the labor force participation rate was 54.5 percent and most women remain outside the labor force.

3. Cultural and heritage tourism is a large and growing international market that Pakistan could leverage to create more and better jobs. Pakistan is home to numerous heritage sites linked to the Indus Valley civilization, a Bronze Age civilization in north-western Pakistan and the Mughal Empire. It also hosts the holiest sites of Sikhism and many important pilgrimage sites for Buddhists and Hindus (see Box 1). Sectors linked to Pakistan's tourism industry contribute 2.9 percent to GDP and employ 2.4 percent of the labor force. This is significantly lower than in South Asia at large: according to the World Travel and Tourism Council, in 2014, the tourism industry in South Asia generated 9 percent of GDP and 4.7 percent of employment. Approximately 40 percent of world tourism revenues are linked to religious tourism and this is a market with tremendous potential that Pakistan has hardly started to develop. Government policy has thus far largely deterred religious tourism despite the millions of worshippers who want to visit holy shrines in Pakistan. Culture and heritage tourism could be turned into an important income source and engine for employment in the country.

Sectoral and Institutional Context

4. Pakistan's recent transition towards a more stable form of democracy is encouraging and the GoP has a strong mandate for reform that could help develop the tourism industry. The GoP's Development Agenda is centered on four pillars: energy, the economy, extremism and education. The GoP has captured its long-term priorities in Pakistan's Vision 2025, which stresses the

objectives of boosting economic growth, job creation and regional cooperation in addition to bolstering the country's image abroad. Tourism is highlighted as one of the sectors of the economy that could help stimulate economic growth. The Government of Punjab (GoPb) has made it a priority to leverage the potential of cultural and heritage tourism. In 2014, it requested support from the World Bank Group (WBG) to produce a series of studies to assess the potential of the sector and explore options for a WBG financed support program. The analytical work and various consultations conducted until date highlight that a stronger cultural and heritage tourism sector would not only help promote economic development and better protect the country's cultural heritage but also help project a softer image of Pakistan to the world.

5. Pakistan's natural, cultural and heritage assets are extraordinary and there is scope to leverage the economic potential of tourism. The World Bank's World Development Indicators (see Figure 1) highlight that the tourism sector (as captured by international tourist arrivals and tourism receipts) has expanded despite continued issues of insecurity. In 1995-2000, the number of tourist arrivals grew by 8 percent annually. The September 11 terror attacks in the United States and military interventions in Afghanistan had a negative effect on tourist arrivals in 2001-03 (-11 percent). International tourist arrivals then returned to growth and despite setbacks in 2007-08, when Pakistan became a frontline on the war on terror, the compound annual growth rate of international tourist arrivals was 11 percent in 2003-11, with a peak of 1,161,000 tourists reached at the end of that period. The number then dropped by 17 percent in 2012 as a result of a series of domestic terror attacks. While 2013 is also likely to have yielded a decline, an improvement in national security in 2015-16 is a positive development that will most likely be reflected in an increase in tourist arrivals.

6. The growth in receipts from international tourism has been relatively strong in Pakistan but it still underperformed GDP growth in the last decade. In 2003-11, receipts from international tourism grew annually by 8 percent to reach US\$1.12 billion. By 2013, however, it had declined to US\$0.93 billion, as reflected by a drop in arrivals. In 2014, investment in travel and tourism, which captures transport and domestic and international tourism, was 9.2 percent of total investment in Pakistan. Receipts from international tourism made up 0.4 percent of GDP in 2013; down from 1.0 percent/GDP in 1997. The data seem to indicate that the sectors that rely on tourism and the mobility of people more broadly (such as the transport sector, accommodation and hospitality sectors) have done relatively well. A majority of Pakistan's international visitors belong to the diaspora and visit for family reunion and business reasons. The market segment that caters specifically to international leisure tourism may on the other hand have lost out during the last two decades.

7. International perceptions of insecurity act as a brake on tourism development. National security has recently improved due to great efforts by the GoP, the GoPb and the army. In particular the army's continued presence in all regions of Pakistan and a crackdown on violent groups have led to a reduction in attacks. The occasional high profile terror attack on soft targets like schools and religious minorities still take place, however. A continued improvement in the security environment would help strengthen the country's economic growth prospects and over time have a positive effect on the tourism sector.

8. The Pakistan tourism sector has a captured market for Sikh tourism with two-fifths of Sikh survey respondents considering it a religious duty to visit Pakistani shrines. 83 percent of the Sikh diaspora in Canada, the UK and the US would like to visit religious sites and shrines in Pakistani

Punjab (see Figure 2). The younger the respondent the more positive he/she feels about visiting the country. Guru Nanak Dev Ji Maharaj who founded Sikhism was born in Nankana Sahib and died in Kartarpur in Punjab. The five most important pilgrimage sites for Sikhism are located in Pakistan and primarily in Punjab. A study commissioned by the task team estimates that if proper facilities were provided and marketing efforts made, tourism from the Sikh diaspora could easily reach 30,000 tourists per year. If the security situation were to significantly improve, the number of tourists could exceed 300,000 per year. The economic impact would then increase from US\$5 million to an estimated US\$300 million per year.

9. The potential for cultural and heritage tourism linked to Sikhism remains heavily underexploited. The Golden Temple in Amritsar in India attracts approximately ten million visitors per year despite being considered the fourth holiest Sikh site. It is one of the most visited religious destinations in the world (e.g. Makkah and Medina attract 13 million pilgrims per year). In Pakistan, where the three holiest sites are located, a total of 7,500 Sikh visitors with Indian passports are allowed each year. This quota is still difficult to fill (averaging 5,772/year in 2008-13) due to a visa application process that takes roughly four months to complete with stringent background checks and uncertain outcomes. Indian Sikh pilgrims (Yatris) stay at Gurdwara compounds during a pre-planned ten-day tour and they must stay within Gurdwara compounds allowing for little contact with the local population. The challenging visa regime was liberalized in 2012 but the most important reforms have yet to be fully implemented.

10. The visa administration process is unpredictable and supportive mostly of women (60% of total) and people above 50 years of age (70% of total). The economic implications of the quota system and visa administration process are significant as few make the journey. The Sikh diaspora with non-Indian passports face a relatively easier process but tour operators complain about a lack of coordination among public agencies involved in the application process that can cause severe delays. Anecdotal evidence points to a division where British Sikhs go through the same strenuous and lengthy process as Indian Sikhs whereas Sikhs from Canada and the United States can obtain visas in as little as 24 hours. An average of 1,367 diaspora Sikhs with non-Indian passports visited Pakistan annually in 2008-13. Surveys and extensive consultations indicate that there is a very large unmet demand to visit Sikh shrines. The foregone economic impact is therefore equally large: surveys of the British, Canadian and U.S. Sikh diaspora find that a visit would generate an average of US\$2,700 over ten days per person. In addition, Pakistani tour operators say that the average diaspora family spends US\$3,000-5,000 on shopping once they visit.

11. There is proven private sector interest to invest in new accommodation and improved infrastructure and logistics services linked to Sikh heritage tourism. A combination of an inadequate response by concerned authorities and the perceived regulatory burden prohibited any progress. The experience on the other side of the border in Indian Punjab points to the tremendous potential to develop the sector on the Pakistani side. The Khalsa Heritage Memorial Complex (Virasat-E-Khalsa) located at Anandpur Sahib in the State of Punjab was built to attract tourists and pilgrims to shrines associated with Guru Tegh Bahadur. Since November 27, 2011, when the complex was opened, more than 5 million tourists have visited the site. Within three years of the inauguration of the works, the growth in tourist arrivals resulted in the establishment of 3,015 firms in the concerned sector. In particular, new hotel investments are likely to materialize if the GoPb facilitates the investment approval process.

12. Concerns raised by hotel investors include site specific infrastructure, availability of skills, and unclear implementation of the rules and regulations linked to tourism investments. First, the infrastructure around some of the sites is inadequate, including access roads, road-side facilities, parking, pedestrian areas and boarding and lodging facilities. Some of the sites are in poor shape and require preservation. While the Evacuee Trust Property Board (ETPB) has a vision of the work that is required, there is need to further refine the vision and translate it into action on the ground. For example, renovation works have begun in Panja Sahib (Hasan Abdal) and there are plans to renovate the Kartas Raj Temples. However, coordination and a shared vision between the provincial governments and the ETPB will be needed to execute these plans effectively. Second, cultural tourism-related services are underdeveloped and dominated by state-controlled agencies. Few citizens currently derive their main livelihoods from the tourism market around the shrines. Third, private investors highlight the need of a tourism policy and incentives to support their investment plans. The private sector will require more clarity with regards to opportunities for public-private partnerships, access to land, dealing with permits and licenses, etc. Consultations with Gurdwara management committees indicate that there is a lack of accommodation facilities along the circuit and especially during festivals. Overall, the private sector would like the public sector to facilitate rather than crowd out private participation and investment in the market.

13. The institutional setup to promote cultural and heritage tourism would require some reforms to improve coordination for effective development of the sector. Religious and cultural sites, according to the Evacuee Trust Properties (Management and Disposal) Act 1975, is the primary responsibility of the ETPB, which is a federal authority. After the 18th constitutional amendment, the Ministry of Tourism was devolved to the provinces but some tourist sites remain a federal matter. The provinces control their own tourism development corporations but the Pakistan Tourism Development Corporation (PTDC) is still in operation. The future of assets owned by the federal tourism ministry is yet to be decided. Similarly, customs, aviation and immigration remain under the control of the Federal Government. An effective tourism promotion program at the provincial level would hence involve significant coordination and dialogue at the federal, provincial and local levels, including the private sector, semi-autonomous but government controlled tourism corporations, and the civil society and affected communities. The private sector currently has a very limited role, and influence, in catering to the foreign pilgrims.

14. The proposed Project has generated much interest in the GoP and the GoPb and the task team has received positive feedback from the private sector and civil society organizations. The Chief Minister of Punjab established a Steering Committee on July 7, 2015, to oversee cultural and heritage tourism promotion in the province. It is chaired by the Minister of Tourism and comprises senior representatives from the Planning and Development Department (P&DD), Tourism, Archaeology and Youth Affairs, Home Affairs, Finance, Construction and Works, the Tourism Development Corporation of Punjab (TDCP) and a Member of the Punjab Assembly. Two private sector representatives have also been invited to join the committee. A Sub-Committee was formed in November 2015 with key focal points from the TDCP, the ETPB and District Coordination Officers (DCOs) of the respective areas. The DCOs will serve as the lead persons, or project directors, for the sites in their areas. Finally, the GoPb has also recently set up an Advisory Council comprising of distinguished professionals with the objective of overseeing the overall policy related to the promotion of cultural heritage and project implementation, by providing guidance to teams involved in project design, communications, and private sector led growth. These proactive initiatives by the authorities showcase their commitment to turn this proposed project into an effective tourism development vehicle.

Relationship to CAS/CPS/CPF

15. The Pakistan Country Partnership Strategy (CPS) for 2015-19 has four main result areas: (I) energy, (II) private sector development (PSD), (III) inclusion, and (IV) service delivery. Interwoven within these four result areas is a cross-cutting objective to leverage cross-border and regional opportunities and markets. This proposed Project would be designed to support result areas II and III and contribute to the cross-cutting objectives of promoting regional trade and people to people interaction. First, the Project would finance activities that promote economic inclusion (Result Area III). The CPS places special emphasis on financial inclusion of women and youth and the Project would be designed to support this agenda. An increase in tourist arrivals would offer many opportunities to develop the MSME sector in and around the main heritage sites.

16. Second, the Project would finance activities that help develop the private sector and strengthen the MSME sector (Result Area II). The economic potential of the cultural and heritage sites would be realized mainly through increased private participation in the accommodation and hospitality sector in and around the sites. Support activities to promote local entrepreneurship and private investment would be complemented with initiatives to help strengthen governance of the heritage sites, provide training and improve local service delivery. Initiatives would be supported to improve business skills for youth and women to equip them to take advantage of new opportunities, e.g. as tour guides, drivers, cooks and hotel staff. In addition, the program would help deepen the engagement at the provincial level by supporting activities that help clarify the roles between the provinces and the federal government, including between ETPB, TDCP and the Tourism Department.

C. Proposed Development Objective(s)

Proposed Development Objective(s) (From PCN)

The Project Development Objective (PDO) is to increase the contribution of tourism to local economic development by improving infrastructure services, strengthening institutional capacity and facilitating private sector participation in the sector.

Key Results (From PCN)

The achievement of the PDO would be measured by the following PDO results indicators:

- i. Number of jobs created in tourism and tourism-related sectors in the targeted areas, disaggregated by gender;
- ii. Increase in tourist expenditure in the targeted areas (%);
- iii. Number of visitors to the targeted culture and heritage sites;
- iv. Investment policy framework for private tourism-related investments adopted.

D. Concept Description

The Project would consist of four components: (i) strengthening of tourism destination management (governance, coordination and marketing); (ii) improving access and support facilities; (iii) facilitation and promotion of private investment and entrepreneurship; and (iv) project management and evaluation. The interventions would protect and strengthen the integrity and governance of the sites, improve the overall tourist experience, and ensure that local communities are benefited from and integrated in the eco-systems of the sites.

Component 1: Institutions and governance for tourism development (US\$12mn)

23. This component would finance technical assistance (TA), capacity building, equipment and minor works to:

- a. Strengthen key institutions and sector coordination essential for cultural and heritage tourism. It would assess and advise on the institutional framework supporting the industry; develop mechanisms to ensure policy coherence between the federal and provincial levels; and update and support the implementation of the tourism sector strategy. The role of the provincial tourism development corporation model would be reviewed with the aim of proposing and supporting the implementation of institutional reforms. Sector coordination between the public sector, the private sector and civil society/local communities would be supported and this component would also identify and support the formation of public private partnerships in the sector, as necessary . The six provincial/ regional governments would be supported to develop and implement coordination mechanisms for sharing knowledge and facilitating tourism across the provinces;
- b. Develop and implement master plans to improve select infrastructure and signage, environmental attractiveness, and basic amenities and facilities surrounding the sites (but not inside the shrines/compounds themselves). Identification works and consultations at the pre-appraisal stage would help narrow down the priority sites and likely include Gurdwara Rori Sahib in Eminabad, Gurdwara Bal Lila Sahib and Gurdwara Tambu Sahib in Nankana Sahib, and Gurdwara Dera Sahib. A potential collaboration with UNESCO and its World Heritage Site unit is being explored with the ultimate aim of protecting the heritage sites and upgrade one or more sites to World Heritage Site status; and
- c. Build knowledge and awareness of the sites at the local, domestic and international levels, including the preparation of marketing material, maps, tourist information, and a communication strategy and public relations campaign. Promotional material would be made available online and directly to local tourists, through four new tourist information centers. Marketing campaigns would target niche markets in collaboration with Pakistani embassies that project a balanced view of the security situation in the Punjab Province.

24. The main challenges that this component would seek to address are: (i) weak coordination among the provincial authorities, federal ministries, cultural authorities, community and local business associations, religious institutions and trusts, and the local civil society; (ii) weak protection of the integrity and management of some of the heritage sites and natural beauty of surrounding areas; (iii) outdated and inadequate facilities, including basic services and access arrangements at the sites; and (iv) a lack of readily available information about the sites, their cultural significance, and facilities within and around the sites that can be accessed by visitors. Component 2: Improving access for tourism development (US\$32mn)

25. The second component would finance mainly equipment and works to improve secondary and tertiary road access, upgrade parking areas, and improve facilities along the main transport network and near the sites to make them tourist and family friendly. These public investments will improve access to the heritage sites and enhance the overall experience of tourists.

- a. Secondary and tertiary road access: several secondary and tertiary roads need to be urgently improved. For example, a preliminary analysis points to the need to rehabilitate the 4,500 m Eminabad-Rori Sahib road, upgrade i.e. improve and re-carpet 3,000 m of the Darbar Sahib road at Kartarpur, rehabilitate a 1,000 m existing access road to Sucha Sauda at Farooqabad as well as the 4,000 m of Nankana Sahib intercity road;
- b. Construction of convenience facilities: improvement of existing basic infrastructure such as parking, washroom facilities and rest areas around the main sites and along key access roads. Improvement and refurbishing of arrival lounges and terminals at Badami Bagh Lahore railway station, Nankana Sahib Railway station, for GurdwaraJanam Asthan, Gurdwara Sacha Sauda

Sahib and Gurdwara Rori Sahib. At Darbar Sahib (Kartarpur), the existing pre-fabricated structure outside the main building will be replaced with proper accommodation facilities in line with the main building's architecture without extension of the building. Facilities at border crossings are a federal subject but other existing tourist facilities such as arrival lounges at border crossings need improvement and upgrading with seating, ceiling fans, hand railings and safety barriers. Particular attention would be paid to improve facilities for women, children, the elderly and handicapped persons when crossing the border.

c. Addressing select infrastructure bottlenecks: a number of initiatives will be assessed with the aim of reducing the potential negative impact that an increase in tourist arrivals could have on surrounding communities, including with regards to creating awareness on use of water, energy and sanitation. Alternate power supply arrangements, for example Solar Home Solutions would be explored, and if need be provided, given the shortage of electricity in targeted areas. The semi-urban master plans financed under Component 1 would advise on the priorities in detail.

26. The main challenges that this component would seek to address relate to: (i) physical access to the heritage sites (roads, parking, and border facilities), (ii) health and safety for visitors; and (iii) an increased demand and possible strain on basic infrastructure and services.

Component 3: Facilitation of private investment and promotion of entrepreneurship (US\$8mn)

27. The third component would finance TA, training, capacity building and grants to facilitate and promote local investment and entrepreneurship, including for women and youth. On the public sector side, initiatives would focus on the review and reform of the legal and regulatory environment surrounding tourism, including the streamlining of administrative procedures to facilitate decisions on private investment proposals and tourism business approvals; and strengthening the capacity for investment promotion targeting the tourism sector. On the private sector side, support initiatives would aim to increase the supply of privately financed accommodation and leisure facilities and services consumed by tourists, including through investment facilitation, investment promotion and financial incentives like matching grants for business development services. Collaboration and support to existing tourism schools would aim to increase the quality of training and supply of manpower with marketable skillsets.

28. The tourism industry faces a marked seasonality linked to cultural and heritage tourism in Punjab (the high season of religious festivals only occupy 31 days per year). Developing a more diversified tourism proposition would be an important outcome of activities financed under Components 1 and 3; and this work would aim to support the private tour operator industry leading this process. The culture and heritage tourism sector in the Punjab Province is currently associated with strong involvement, direction and ownership of the government and its agencies. Letting private entrepreneurship and initiative flourish is necessary to truly start developing the market. There is already a strong grassroots involvement in the sector with local communities converting houses into bed and breakfast (B&B) style accommodation during major festivals to cater to pilgrims. Many small businesses and entrepreneurs also appear in these areas to sell food and drinks, souvenirs and garments, provide services, etc. Government control and involvement have thus far been more of a discouragement to the entry of professional investors serving the tourism market. Globally, the tourism sector is absorbing a relatively high proportion of women and youth compared to the economy at large and the Project would promote participation of women and youth where possible.

Component 4: Project management (US\$3mn)

29. The fourth component would finance a Project Implementation Unit (PIU) that would be in charge of project management and daily implementation of project activities, including procurement, financial management, monitoring and evaluation (M&E) and community/stakeholder consultation campaigns. The fourth component would also finance analytical

activities, such as the development of an action plan to strengthen the capacity of the Project's main stakeholders (Federal Government, Provincial Government, private sector/associations, and local communities). A TA and capacity building program would be tailored to improve implementation capacity. Strengthening governance is essential given the multi-sectoral dimensions of the Project and the fragmented sector coordination within the government. The training sessions would involve local communities and the private sector to facilitate grassroots level initiatives and encourage partnerships. It would also cover sustainable development issues in order to promote a shared understanding of the social and economic dimensions of the project.

II. SAFEGUARDS

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

The project will be implemented in various parts of the Punjab Province. About 60 percent of the population of the country lives in the province of Punjab, which has geographical variation from green mountains in the upper part to the rugged/barren hills towards its west, and vast alluvial plain of the Indus River and its four major tributaries in Pakistan, the Jhelum, Chenab, Ravi, and Sutlej rivers. Predominantly the plains of the Punjab are irrigated and are considered to be the food basket of the country. The province has eight large cities with population over one million, several smaller cities, and a large number of towns and villages. The province is experiencing rapid urbanization with almost half of the population now living in cities compared with about 30 percent urban population about a decade ago. The province has an extensive network of roads ranging from motorways to rural roads. Punjab has a very rich cultural and historical heritage that is exhibited through a large number of archeological and historical sites and buildings spread all across the province. The province also hosts the holiest sites of Sikhism and many important pilgrimage sites for Buddhists and Hindus. A sizeable influx of visitors visit these shrines from South Asian and other countries.

B. Borrower's Institutional Capacity for Safeguard Policies

The proposed implementing agency is Punjab Resource Management Program (PRMP) which is part of the Punjab Planning and Development Board and coordinates all development policy programs in province. The P&DD has vast experience of implementing Bank funded-projects and have close familiarity with the World Bank's safeguard requirements. The GoPb has appointed the head of PRMP unit as the chief counterpart for the Project and he will be supported by a sub-unit headed by a Project Director who will coordinate with different relevant line departments. The sub-unit will be responsible for the strengthening of TDCP with a special focus on private sector orientation of the corporation. The Chairman of P&DD will chair a Project Steering Committee (PSC) and have the responsibility for coordination with the federal government. However various provincial government departments including Irrigation, Agriculture, Education, Health, and Urban departments have been implementing Bank funded projects with a varying degree of safeguard requirements.. However, staff and skills on safeguards implementation will need to be upgraded to ensure stringent compliance with Bank Operational Policies.

C. Environmental and Social Safeguards Specialists on the Team

Rahat Jabeen (GEN06)

Salma Omar (GSU06)

D. POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The project activities particularly under Components 1 and 2 may potentially cause negative environmental and social impacts most of these impacts are likely to be small scale, localized, and reversible in nature. The Govt. will carry out an Environment Assessment and prepare mitigation plan in pursuance with this OP.
Natural Habitats OP/BP 4.04	No	Most of the proposed activities will be carried out in the built-up area where natural habitat has long been modified. Therefore the proposed activities are unlikely to affect any natural habitats.
Forests OP/BP 4.36	No	Same as above. Most of the proposed activities will be carried out in the built-up area where no forests exist. Therefore the proposed activities are unlikely to affect any forests.
Pest Management OP 4.09	No	No agriculture related activities are foreseen under the Project.
Physical Cultural Resources OP/BP 4.11	Yes	Some of the proposed activities will be carried out adjacent to the religiously important and sacred sites. A PCR plan may need to be developed in pursuance with this policy.
Indigenous Peoples OP/BP 4.10	No	There are no Indigenous People in Punjab where the project will be implemented
Involuntary Resettlement OP/ BP 4.12	TBD	There may be limited resettlement as a result of grants under Component 3 to finance accommodation and other facilities. The exact scope of these grants will be clarified during appraisal. For the rehabilitation of access roads and other infrastructure, limited social impacts are expected and will be captured in the ESMPs for RAPs as appropriate.
Safety of Dams OP/BP 4.37	No	No dam-related activities are included in the proposed project.
Projects on International Waterways OP/BP 7.50	No	No works will be carried out at or in any international waterways.
Projects in Disputed Areas OP/ BP 7.60	No	No disputed territories as defined in the OP exist in the Province.

E. Safeguard Preparation Plan

1. Tentative target date for preparing the PAD Stage ISDS

30-Sep-2016

2. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the PAD-stage

ISDS.

The ESIA and the mitigation plans will be prepared by September 30, 2016.

A Resettlement Policy Framework will be prepared by September 30th, 2016

A Physical Cultural Resources Management Plan will be prepared by September 30th, 2016

III. Contact point**World Bank**

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Borrower/Client/Recipient

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V. Approval

Task Team Leader(s):	Name: Kamran Akbar, Michael Olavi Engman	
<i>Approved By</i>		
Safeguards Advisor:	Name: Maged Mahmoud Hamed (SA)	Date: 23-May-2016
Practice Manager/ Manager:	Name: Shobha Shetty (PMGR)	Date: 23-May-2016
Country Director:	Name: Anthony Cholst (CD)	Date: 29-May-2016

1 Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.