



## Grant Assistance Report

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Project Number: 39646  
March 2006

Proposed Grant Assistance  
Islamic Republic of Pakistan: Immediate Support to  
Poor and Vulnerable Households in Inaccessible  
Areas Devastated by the 2005 Earthquake  
(Financed by the Japan Fund for Poverty Reduction)

Asian Development Bank

## CURRENCY EQUIVALENTS

(as of 28 February 2006)

Currency Unit	–	Pakistan rupee/s (PRe/PRs)
PRe1.00	=	\$0.0167
\$1.00	=	PRs59.86

## ABBREVIATIONS

ADB	–	Asian Development Bank
AJK	–	Azad Jammu and Kashmir
AJKCC	–	Azad Jammu and Kashmir Coordination Committee
AKDN	–	Aga Khan Development Network
EEAP	–	Earthquake Emergency Assistance Project
FAO	–	Food and Agriculture Organization
JFPR	–	Japan Fund for Poverty Reduction
MINFAL	–	Ministry of Food, Agriculture, and Livestock
NGO	–	nongovernment organization
NRSP	–	National Rural Support Programme
NWFP	–	North-West Frontier Province
NWFPCC	–	North-West Frontier Province Coordination Committee
PMC	–	project monitoring consultant
PSC	–	project steering committee
RSP	–	rural support program
SRSP	–	Sarhad Rural Support Programme
UC	–	union council

## NOTES

- (i) The fiscal year (FY) of the Government ends on 30 June. “FY” before a calendar year denotes the year in which the fiscal year ends, e.g., FY2004 begins on 1 July 2003 and ends on 30 June 2004.
- (ii) In this report, “\$” refers to US dollars.

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## JAPAN FUND FOR POVERTY REDUCTION (JFPR)

### JFPR Grant Proposal

#### I. Basic Data

<b>Name of Proposed Activity</b>	Immediate Support to Poor and Vulnerable Households in Inaccessible Areas Devastated by the 2005 Earthquake
<b>Country</b>	Pakistan
<b>Grant Amount Requested</b>	\$5,000,000
<b>Project Duration</b>	9 months
<b>Regional Grant</b>	No
<b>Grant Type</b>	Project

#### II. Grant Development Objective(s) and Expected Key Performance Indicators

<p><b>Grant Development Objectives:</b></p> <p>To render immediate assistance to about 8,000–10,000 poor and vulnerable households including households headed by women and/or the disabled in the largely inaccessible earthquake-affected areas (1,500 meters above sea level), so that they can begin restoring their means of livelihood. This will be achieved through crucially needed (i) farming inputs, (ii) goat and poultry units, (iii) animal feed and animal sheds, (iv) training in health and sanitation, and (v) rehabilitation of community-based small infrastructure. The reinvigoration of subsistence-level crop and livestock husbandry activities will ensure food security, and secure livestock from perishing in the cold without shelter. Community-identified and -prioritized physical infrastructure including drinking water supplies and sanitation interventions will be restored. Any duplication or overlap with the work of other agencies will be avoided. See Appendixes 1 and 2.</p>
<p><b>Expected Key Performance Indicators:</b></p> <p>(i) Volume of agricultural inputs (seed and fertilizer) delivered.</p> <p>(ii) Number of households provided with animal shelter and quantity of material delivered for animal shelters.</p> <p>(iii) Number of new animals and poultry delivered.</p> <p>(iv) Amount of animal feed, forage, and concentrates provided.</p> <p>(v) Number of community-based and identified productive infrastructure rehabilitated.</p>

#### III. Grant Categories of Expenditure, Amounts, and Percentage of Expenditures

Category	Amount of Grant Allocated in \$	Percentage of Expenditures
1. Union Council Emergency Livelihood Restoration Fund for procurement of seed, fertilizer, animal (goats) and poultry units, and animal feed (concentrates), and provision of shelter units and other materials	4,405,000	88.1
2. Project monitoring and audit costs	95,000	1.9
3. Overhead and grant delivery cost	500,000	10.0
<b>Total</b>	<b>5,000,000</b>	<b>100.0</b>
Incremental Cost	50,000	

JAPAN FUND FOR POVERTY REDUCTION

**JFPR Grant Proposal  
Background Information**

**A. Other Data**

<b>Date of Submission of Application</b>	23 December 2005
<b>Project Officer</b>	Ahsan Tayyab, Project Economist
<b>Project Officer's Division, E-mail, Phone</b>	Agriculture, Environment, and Natural Resources Division (SAAE), South Asia Department <a href="mailto:atayyab@adb.org">atayyab@adb.org</a> 632-6720
<b>Other Staff Who Will Need Access to Edit/Review the Report</b>	F. C. Roche, Director, SAAE J. H. Mir, Senior Natural Resource Specialist (Forestry), Mekong Department A. Sweetser, Social Development Specialist (Participatory Development), Regional and Sustainable Development Department
<b>Sector</b>	Agriculture and natural resources
<b>Subsector</b>	Agriculture sector development
<b>Theme</b>	Sustainable economic growth
<b>Subtheme</b>	Developing rural areas
<b>Targeting Classification</b>	Targeted intervention
<b>Was JFPR seed money used to prepare this grant proposal?</b>	Yes
<b>Have SRC comments been reflected in the proposal?</b>	All pre-Staff Review Committee (SRC) comments have been incorporated. SRC was waived.
<b>Executing Agency</b>	Ministry of Food, Agriculture, and Livestock (MINFAL)
<b>Grant Implementing Agency</b>	The primary Implementing Agency will be the Food and Agriculture Organization (FAO) of the United Nations (UN). The subsidiary implementing agencies will be the Aga Khan Development Network (AKDN), National Rural Support Programme (NRSP), and Sarhad Rural Support Programme (SRSP). Project monitoring will be supervised by a consultant engaged directly by the Asian Development Bank (ADB).

**B. Details of the Proposed Grant**

**1. Description of the Components, Monitorable Deliverables/Outcomes, and Implementation Timetable**

<b>Component A</b>	
Component Name	Union Council Emergency Livelihood Restoration Fund
Cost (\$)	\$4,405,000

Component Description	Support will be provided to targeted households in inaccessible areas and higher altitudes to prepare for the cultivation of spring crops (maize, fodder, and vegetables) mainly through inputs (including seed, fertilizer, etc.). Similarly, support will be provided to the prioritized households in the urgent procurement and provision of animal shelters for small ruminants and poultry, as well as the provision of animal and poultry feed and concentrates. Each of these shelters will be attached to a beneficiary household. In addition to this, an unallocated amount has been reserved for special needs that may be identified by the communities, including the rehabilitation of minor water supplies.
Monitorable Deliverables/ Outputs	<ul style="list-style-type: none"> <li>• Quantities of agricultural inputs provided and area planted that target all groups, particularly the most vulnerable and households headed by women.</li> <li>• Number of animal sheds and shelters constructed for landless community members.</li> <li>• Number of small ruminants and poultry provided to households, especially landless women.</li> <li>• Quantities of animal and poultry feed delivered (quality of the inputs will be certified by FAO).</li> <li>• Number of community-based infrastructure facilities rehabilitated to meet the urgent demands of the poorer and vulnerable households.</li> </ul>
Implementation of Major Activities: Number of months for grant activities	<ul style="list-style-type: none"> <li>• These activities will be coordinated with the assistance of government line agencies, FAO, nongovernment organizations (NGOs), rural support programs (RSPs), and union council (UC) representatives. External monitoring will be entrusted to an independent consultant.</li> <li>• Implementation will be completed in 9 months.</li> </ul>

<b>Component B</b>	
Component Name	Project Management Support
Cost (\$)	\$595,000
Component Description	<ul style="list-style-type: none"> <li>• Project implementation and management support will be provided by FAO of the UN as the primary Implementation Agency. FAO will be responsible for the procurement and delivery of related materials and supplies needed as envisaged by the Project up to union council headquarters, as well as technical backstopping in agriculture and livestock interventions.</li> <li>• AKDN, NRSP, and SRSP, as subsidiary implementation agencies contracted by FAO, will be responsible for (i) community mobilization, (ii) participatory identification of immediate community needs, and (iii) delivery of materials from the union council headquarters to the beneficiaries, and also local materials where necessary for animal shelter. They will assist with community-based infrastructure (including the rehabilitation of minor irrigation infrastructure; the restoration or provision of discrete drinking water supplies and sanitation, and</li> </ul>

	<p>community-owned facilities and service centers; the rehabilitation of water channels, terraces, soil conservation structures, small spur/link roads, foot bridges, etc.). They will arrange workshops and training programs, and will work in coordination with other service delivery agencies, institutions, etc. They will also be responsible for the supervision of their work and monthly reporting on its progress.</p> <ul style="list-style-type: none"> <li>• AKDN will be contracted and will be responsible for training in health and sanitation awareness, and the provision of support for housing for women, orphans, and the disabled, as well as households headed by women, and may be required to provide helicopter services for the airlifting of materials to inaccessible locations.</li> <li>• An independent project monitoring consultant (PMC) will be hired to monitor the project inputs, outputs, and deliverables.</li> </ul>
Monitorable Deliverables/ Outputs	<ul style="list-style-type: none"> <li>• Weekly, monthly, and quarterly progress and monitoring reports; financial and disbursement reports, all in keeping with the agreed work plans; final confirmation of delivery of all goods and services envisaged by the Project.</li> </ul>
Implementation of Major Activities	<ul style="list-style-type: none"> <li>• FAO will be the primary Implementation Agency and will also provide project management, while the independent PMC will be responsible for monitoring</li> </ul>
Number of months for grant activities	9 months

## 2. Financing Plan for Proposed Grant to be Supported by JFPR

Funding Source	Amount (\$)
JFPR	\$5.0 million
Government	\$0.1 million (in-kind contribution)
Other Sources (Please identify)	\$0.1 million by RSPs/AKDN/FAO (in-kind contribution)
<b>Total</b>	<b>\$5.2 million</b>

## 3. Background

On 8 October 2005, an earthquake measuring 7.6 on the Richter scale was recorded in Afghanistan, India, and Pakistan. The earthquake epicenter was located 100 kilometers north-northeast of Islamabad, almost directly below Muzaffarabad in Azad Jammu and Kashmir (AJK). Lasting for about 2 minutes, this earthquake was arguably the most debilitating natural disaster in Pakistan's history. Pakistan-administered Azad Jammu and Kashmir, known as AJK,<sup>1</sup> and the eastern districts of the North-West Frontier Province (NWFP) bore the full force of the

<sup>1</sup> AJK is an area over which India and Pakistan have been in dispute since 1947. ADB does not intend to make any judgment as to the legal or other status of any disputed territories or to prejudice the final determination of the parties' claims.

earthquake in number of lives lost, injuries sustained, and infrastructure and economic assets destroyed. Substantial public and private assets in social services delivery, governance, commerce, communications, and shelter were either badly damaged or destroyed in Abbottabad, Battagram, Kohistan, Shangla, and Mansehra in NWFP, and Muzaffarabad, Bagh, and Poonch in AJK. The damage in AJK was disproportionately large, as ascertained by the joint ADB/World Bank Preliminary Damage and Needs Assessment.

About 3.5 million people were affected by this unprecedented disaster. A death toll of 80,000 has been reported and about 80% are homeless, and the numbers are expected to climb further as access is gained to the more remote areas. In the affected areas as a whole, the earthquake also damaged about 70% of the harvested and standing crops, and killed about 50% of the animals. The mountain and land ruptures and landslides resulted in extensive damage to irrigation conveyance and soil conservation structures, drinking water supplies and sanitation facilities, private housing and livestock shelters, public buildings, social and communication infrastructure, and link and farm-to-market roads.

Although the eight districts were all severely affected, the higher-altitude areas above 1,500 meters were relatively more affected. Damage to natural resources, productive infrastructure, and communication network has severely reduced the capacity and ability to continue the livelihood activities, and thus threatened food security. In these areas, the rescue efforts were delayed by access constraints.

Relief and rehabilitation work will be further constrained with the onset of the Himalayan winter. Immediate support must therefore be extended to the highland communities to reduce further threats to their food security, loss of human life, and death of remaining livestock. In these relatively more inaccessible areas, the most vulnerable people are households headed by women (because of death or injury of men), and children. In addition, the landless people and those who have lost their livestock also need urgent support to survive the extreme Himalayan weather and reengage in on-farm and off-farm livelihood activities. Agriculture and livestock raising are the means of livelihood of the rural poor in these areas. This Project will assist the most vulnerable in restoring their means of livelihood at the soonest possible time through the interventions detailed here.

ADB's Earthquake Emergency Assistance Project (EEAP) package, with an Asian Development Fund (ADF) loan of \$220 million and a grant of \$80 million, was approved on 13 December 2005. The Project will address over the short to medium term the urgent basic needs and social services lost as a result of the earthquake. Following a joint needs assessment by ADB, the World Bank, and the UN, the Project was processed under ADB's *Disaster and Emergency Assistance Policy* and aims to rebuild and replace affected assets to earthquake-resistant civil construction standards. The Project comprises the following: (i) quick-disbursing components to finance urgently needed imports; (ii) sector components in transport, power, and the education and health sectors; and (iii) implementation assistance, including governance, institutional capacity building, and legal assistance.

#### **4. Appropriateness of the Project Design**

The Project will assist the early resumption of traditional livelihood activities, instill self-confidence to enable the communities to help build capacity to participate in income generating activities, and eliminate dependence on aid. The immediate need of the affected people is to reengage in agriculture and livestock activities, which have been the mainstay of the economy in the highlands and relatively inaccessible areas. Spring maize and other grain cultivation will partially meet their food needs in the summer months, but support for livestock activity is

needed to fulfill their nutrition requirements, especially those of children, and to provide cash from the sale of young animals, poultry, and surplus dairy products.

The Project is structured to enable the delivery of badly needed goods and services without delay, as every day's delay puts the lives of these most vulnerable further at risk. The Project will use established agencies in a time-effective manner for implementation. Likewise, the funding arrangements will ensure that the delays normally experienced in funds flow will not happen in the Project. However, comprehensive safeguards will be built into the Project for proper accountability and transparency.

**Innovation.** Terms of reference of FAO and RSPs/NGOs will also include pilot activities to promote awareness of livestock insurance and modalities that could be incorporated for institutionalizing this form of insurance in selected union councils of AJK and NWFP. AKDN and other agencies will be contracted for providing training to the poor and vulnerable households in earthquake-resistant construction activities.

## 5. Sustainability

The entire Project is designed to be sustainable. There are three components: (i) contracting of UN FAO to provide goods and services to the agriculture and livestock sectors; (ii) contracting of appropriate and well-experienced RSPs and AKDN to interact with the communities, mobilize them, and continue with the most urgently needed rural support services; and (iii) contracting of a PMC. One implementation service agreement will be signed with the FAO as the primary service provider, and FAO will sign subsidiary implementation service provision contracts with AKDN, NRSP, and SRSP. FAO will be required to carry out 34 person-months of consulting services, and the RSPs and AKDN, 400 person-months of consulting services. Local nongovernment organizations and international and domestic consultants will be contracted according to procedures acceptable to ADB. Justification for the direct selection of AKDN, FAO, and RSPs is discussed together with other implementation arrangements in Appendix 5.

FAO as a UN agency has a long track record of providing services to the agriculture and livestock sectors in both AJK and NWFP. FAO assistance to these sectors can be expected to continue long after the Project is completed. AKDN and the RSPs, for their part, have ongoing programs for the rural communities and these will carry on even after the Project. Their long-standing commitment to the rural communities in these areas will further ensure the sustainability of the inputs and interventions of the Project.

The Project will enable the target communities to regain self-confidence and resume their normal lives and income-generating activities. The communities will be better able to prepare the land for the next season's crops and restore their livestock inventory and income base. The landless people will be better able to survive the harsh winter and continue their on-farm and nonfarm economic activities, particularly with the restoration of productive infrastructure.

## 6. Participatory Approach

Primary Beneficiaries and Other Affected Groups	Other Key Stakeholders
The rural communities in the relatively inaccessible highland areas will be the primary beneficiaries of the Project. Priority will be given to the most vulnerable, including households, especially those headed by	The RSPs, AKDN, and NGO networks have wide and decades-long experience of working in a participatory way with poor communities. In addition to their usual work with the communities, they have carried out relief and

Primary Beneficiaries and Other Affected Groups	Other Key Stakeholders
<p>women and by disabled persons, and women and children as a whole. Priority will be given as well to communities who do not have access to supplemental income sources and whose small water supplies, sanitation, and minor roads and access facilities have been affected. Prioritization will be done by the RSPs and AKDN in an interactive and participatory manner, in full and transparent consultation with the communities, during the first 2 weeks of the Project. As the Project is short (only 9 months) and is focused on the vulnerable within the remote communities, the issue of resettlement is not foreseen to arise.</p>	<p>rehabilitation work after earthquakes, drought, floods, and other calamities. For the Project, they will identify the most vulnerable communities and provide technical and logistic support to the local government institutions at union council and district levels.</p>

## 7. Coordination

Coordination at federal Government level will be ensured by the project steering committee (PSC), which will meet once a month, and at the regional level by the coordination committees (AJKCC and NWFPCC), which will meet every other week. PMC will ensure that there is no overlap or duplication of efforts, activities, and inputs. AJKCC and NWFPCC will be responsible for coordination within AJK and NWFP, respectively, and the approval of work plans. They will also make sure that the implementation is carried out as designed and speedily. Should there be any issues at the federal level, they will coordinate with the PSC to resolve these. Detailed information on implementation arrangements is in Appendix 5. For effective implementation, participatory and harmonized approach, and complementarity, there will be consultation and coordination between bilateral and multilateral agencies, national and local civil society, and the public and private sector service delivery agencies, primarily through the PSC.

## 8. Detailed Cost Table

Refer to Appendix 3 for the detailed cost estimates, and Appendix 4 for the funds flow arrangement.

## C. Linkage to ADB Strategy and ADB-Financed Operations

**1. Linkage to ADB Strategy.** The Project, in its overall scope and objective of livelihood support, is consistent with the goal of Pakistan's Medium-Term Development Framework 2005–2010. It is also in line with ADB's Country Strategy and Program for Pakistan, which similarly places special emphasis on sustaining rural livelihoods and enhancing social capital and infrastructure. The Project is consistent as well with ADB's *Disaster and Emergency Assistance Policy*.<sup>2</sup>

<sup>2</sup> ADB. 2004. *Operations Manual*. Sections D7/BP and D7-1 OP: Disaster and Emergency Assistance. Manila.

Document	Document Number	Date of Last Discussion	Objectives
Medium Term Development Framework	Not applicable	May 2005	Also facilitate sustainable development and equal livelihood opportunities in all regions of Pakistan.
Pakistan: Country Strategy and Program Update (2006-2008)	Sec.M67-05	18 August 2005	To support poverty reduction in Pakistan through interventions in the following three areas: supporting good governance, pro-poor growth, and inclusive social development.

## 2. Linkage to Specific ADB-Financed Operation

<b>Project Name</b>	Loan and Grant Pakistan: Earthquake Emergency Assistance Project
<b>Project Number</b>	39361
<b>Date of Board Approval</b>	13 December 2005
<b>Loan Amount (\$ million)</b>	\$220 million loan (ADF) and \$80 million grant

## 3. Development Objective of the Associated ADB-Financed Operation

ADB approved the EEAP package, with a \$220 million ADF loan and an \$80 million grant, on 13 December 2005. The Project will address the urgent basic needs and social services lost as a result of the earthquake, over the short to medium term. It will create synergy among the main project activities in agriculture, livelihood, and livelihood diversification, where the vulnerable communities need urgent support.

## 4. Main Components of the Associated ADB-Financed Operation

No.	Component Name	Brief Description
1	Transport Sector	1.1 Rehabilitate main roads and bridges except national highways within the three affected districts in AJK and five in NWFP.
2	Power Sector	2.1 Revive nine hydropower stations and all necessary civil and electrical works, and also attend to the distribution networks.
3	Social Sectors	3.1 <b>Health.</b> Rebuild one district hospital and three tehsil HQ hospitals including wards and quarters; procure medical equipment; and build water and sanitation facilities at these hospitals. 3.2 <b>Education.</b> Repair and rebuild about 550 partly and completely damaged government middle schools to earthquake-resistant standards and furnish and equip them, train master trainers and teachers, and provide school health services for physical and psychological support.

## 5. Rationale for Grant Funding versus ADB Lending

Most of the contemplated funding, loan or otherwise, for the earthquake areas is mainly for short- and medium-term activities. The funding is focused on the rehabilitation of social and physical infrastructure, governance, etc., and not on the immediate restoration of livelihood areas, especially agriculture and livestock activities. These interventions clearly have wider

scope, and do not specifically target poor and vulnerable households, especially in relatively inaccessible areas. Immediate intervention is needed, as the window for planting maize and fodder is only 4 weeks. If shelter for the remaining livestock is not provided, most will be lost to the extreme cold. The disruption in agriculture activity has deprived the landless of on-farm and off-farm work opportunities. They can be expected to resume these, with the agriculture and enterprise activities restored.

#### D. Implementation of the Proposed Grant

1. The Project is designed to deliver urgently needed agricultural and livestock inputs to the affected households. Speed of delivery is crucial, while ensuring full accountability and transparency in the implementation (see Appendix 5). The Executing Agency (EA) will be MINFAL, and the primary Implementation Agency, FAO, will provide project management. There will be three subsidiary implementation agencies—NRSP, SRSP, and AKDN. These agencies were selected for their unsurpassed track record in the project areas and the services they will provide for the Project. An independent PMC will be engaged to provide monitoring and evaluation (M&E) services. There will be an implementation service contract with FAO, which will be directly selected as the primary implementation and service provider. FAO will then engage AKDN, NRSP, SRSP, and other NGOs or RSPs as subsidiary implementation service agencies. The contract with FAO will be for 9 months, starting in March 2006. The Project will also recruit an individual international PMC, to provide 3 person-months of monitoring and evaluation services. Another independent individual consultant, if required, will be recruited to undertake an independent audit of project disbursements, as required under JFPR guidelines. All consultants will be recruited according to ADB's *Guidelines on the Use of Consultants*. Procurement of goods will conform to ADB's *Guidelines for Procurement* and with FAO's guidelines.

2. **Risks Affecting Grant Implementation** (Also see Appendix 6: Environment and Social Safeguards.)

Type of Risk	Brief Description	Measures to Mitigate the Risk
Constrained ability of the field staff of relevant line agencies	Because of damage to office and residence of field staff, and lack of transport facilities, the mobilization of field staff could be a constraint.	Facilitation by FAO and the RSPs would allow the field staff to provide required support.
Delayed and slow restoration of road network, and likely landslides during winter rains and snowfall	Heavy landslides on link roads and difficult terrain may hamper the delivery of farm and livestock inputs, and other material support and services.	Inputs and other assistance, if required, will be airlifted by helicopter (fuel will be provided to the agency with the aircraft) and delivered to the nearest possible location on motorized vehicles or pack animals.
Reluctance of households to return to their normal places of residence	As most of those affected from the highland area have lost their houses and means of livelihood, they may be reluctant to return. Also reluctant to return would be households whose members were severely injured and are still hospitalized. Such households, especially those headed by women, may feel that it would be unsafe for them to return.	Households that are disinclined to return because of injury to or the absence of male members will be encouraged to hire landless labor to resume agriculture and livestock activities and other nonfarm activities. Preference will be given to the hiring of illiterate and semiliterate females, who have fewer work options than landless males.

<b>Type of Risk</b>	<b>Brief Description</b>	<b>Measures to Mitigate the Risk</b>
Usual disregard for the vulnerable poor	The more vocal and powerful may articulate their needs, to the exclusion of the vulnerable poor, especially households headed by women.	Community mobilizers from the RSPs and NGOs will see to it that those vulnerable are identified in a transparent and participatory manner, and that they are heard and their concerns attended to. The monitoring consultant will make sure that the activities of the RSPs, AKDN, and NGOs target poor and vulnerable groups. The monitoring will also include an independent review of the process of beneficiary identification.
Duplication of donor support	Some villages/communities may have already received or are receiving support from other donors and programs.	Community mobilizers and line agency staff will identify villages/communities that have not received support from any other agency. Support in the form of emergency food and medicines will be excluded.
Fungibility and misuse or mismanagement of project funds	Beneficiaries may divert the cash grants to uses other than those intended, or households, especially those headed by women, may not be able to procure the material other than at inflated prices.	The RSPs, AKDN, and NGOs will be responsible for ensuring that the intended beneficiaries receive their share of the assistance. This will be monitored interactively via random sampling of intended benefits from the Project. All stakeholder groups, especially the illiterate and semiliterate, will be assured of their entitlements through public dissemination of project targets.

### 3. Incremental ADB Costs

<b>Component</b>	<b>Incremental ADB Cost</b>
Amount requested	\$50,000
Justification	Staff consultancy services including financial audit, required for inception, midterm, and end-of-project review
Type of work to be rendered by ADB	Overall management; finalization of contracts with service providers; inception, midterm, and end-of-project review; overall grant management; and physical and financial reporting

### 4. Monitoring and Evaluation

<b>Key Performance Indicator</b>	<b>Reporting Mechanism</b>	<b>Plan and Timetable for Monitoring and Evaluation</b>
Volume of farm inputs and assistance airlifted/delivered in time to relatively inaccessible areas	Fortnightly progress reports and consolidated reports of FAO, RSPs/NGOs, and AKDN	Throughout the project life
Crops grown on at least 70% of the area	Same as above, as well as the midterm review and project	Throughout the project life

Key Performance Indicator	Reporting Mechanism	Plan and Timetable for Monitoring and Evaluation
	completion reports	
Adequate shelter for livestock, and avoidance of mortality due to extreme weather	Same as above	Throughout the project life
Identified and supported households headed by women	Same as above	Throughout the project life
Landless labor reengaged in on-farm and off-farm activities.	Same as above	Throughout the project life
Critical productive infrastructure rehabilitated	Same as above	Throughout the project life

#### 5. Estimated Disbursement Schedule (one-time grant at inception)

Time of Disbursement	Amount To Be Disbursed (\$)
At Inception	To be determined after contract with FAO and RSPs is signed
FY2006	\$5.0 million. Disbursements will be made when materials, goods, and services are delivered as designed and in accordance with the approved work plans. FAO will pay the subsidiary service providers upon certification of the work done.
<b>Total Disbursements</b>	<b>\$5.0 million</b>

#### Appendixes

1. Design and Monitoring Framework
2. Project Scope
3. Summary Costs Table
4. Funds Flow Arrangement
5. Implementation Arrangements
6. Environmental and Social Safeguards

#### Supplementary Appendixes (available on request)

- A. Aga Khan Development Network, National Rural Support Programme, and the Sarhad Rural Support Programme
- B. Roles and Responsibilities and Terms of Reference
- C. Implementation Arrangements
- D. Environmental Assessment Framework

## DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets/Indicators	Data Sources/ Reporting Mechanisms	Assumptions and Risks
<p><b>Impact</b></p> <p>Vulnerable households in inaccessible areas of AJK and NWFP regain their means of livelihood.</p>	<p>Total agriculture and livestock assets brought back into production</p> <p>Institutional and social services revived for supporting local enterprises</p>	<p>National and provincial surveys</p> <p>District and union council data and statistics, including gender-specific and household vulnerability indices</p>	<p><b>Assumption</b></p> <p>The Project as designed will be implemented to ensure that the target beneficiaries will receive the intended benefits.</p> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• Slow start-up and implementation.</li> <li>• Too heavy overhead, which will reduce the net amount reaching the beneficiaries.</li> </ul>
<p><b>Outcome</b></p> <p>Farm- and nonfarm-based livelihood and income-based activities resumed in the target areas</p>	<p>Crop and livestock production increased; household nutrition levels enhanced; and less incidence of preventable waterborne diseases</p>	<p>Statistical reports</p> <p>Project management reports</p> <p>Reports of review missions</p> <p>Audit reports</p>	<p><b>Assumption</b></p> <p>Project interventions will be truly responsive to the felt needs of the communities.</p> <p><b>Risk</b></p> <p>Top-down approaches are followed in determining the needs of the communities.</p>
<p><b>Outputs</b></p> <p>Institutional facilities mobilized for delivery of crop inputs, livestock units, animal feed, and animal shelter units, and rehabilitation of community-based social infrastructure</p>	<p>Crop and livestock productivity restored to least 75% of the pre-earthquake level; livestock mortality significantly reduced at project completion; and communities served with adequate water and sanitation facilities</p> <p>Number of UCs served: 12 (7 in AJK and 5 in NWFP)</p> <p>Households supported: about 8,100, with a total population of more than 60,000</p> <p>Maize production: 5,000 ha, producing 5,000 mt</p> <p>About 16,000 goats distributed</p>	<p>Project review missions</p> <p>M&amp;E reports</p> <p>FAO and RSP/NGO progress and end-of-project reports</p>	<p><b>Assumption</b></p> <p>Institutional capacity is adequate to serve communities in high altitudes and remote locations, and oversee the delivery of these inputs.</p> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• Loss of administrative, institutional, and physical structures decreases capacity.</li> <li>• Extreme winter weather and further landslides impede timely service provision.</li> </ul>

Design Summary	Performance Targets/Indicators	Data Sources/ Reporting Mechanisms	Assumptions and Risks
	<p>Livestock sheds provided to about 8,000 households and mortality reduced to 10%</p> <p>Community-based infrastructure rehabilitated as identified by communities</p> <p>Number of training sessions arranged</p>		
<p>Enhanced capacity and ability of local government structures and communities to determine their own needs according to their priorities</p>	<p>Number of union councils and communities accessed and assisted: 12</p>	<p>Project review missions</p> <p>M&amp;E reports</p> <p>FAO and RSP/NGO progress and end-of-project reports</p>	<p><b>Assumption</b></p> <p>All project service providers are able to operate without inordinate bureaucratic and political interference.</p> <p><b>Risk</b></p> <p>Inclement weather and lack of appropriate materials and craftsmen hamper timely implementation.</p>
<p><b>Activities and Milestones</b></p> <p><b>General Milestones</b></p> <ol style="list-style-type: none"> <li>1. Timely inception of the Project, and engagement and contracting of service providers by end of second week; completion of field assessments of the union councils through community consultations in all target areas by end of week 4</li> <li>2. Sourcing and procurement of material required for shelters and simple civil construction works completed by end of week 8</li> <li>3. Identification of priority community-requested interventions and required surveys by end of week 8</li> <li>4. Start of implementation by week 6 and completion by week 36</li> <li>5. Midterm review mission by end of week 16 and completion review mission by week 36</li> </ol>			<p><b>Inputs</b></p> <p><b>JFPR</b></p> <p>\$5.0 million grant from Japan Fund for Poverty Reduction</p> <p><b>Government/RSPs/AKDN/FAO Contribution</b></p> <ol style="list-style-type: none"> <li>1. Appropriate counterpart staff at the districts and union councils</li> <li>2. Assistance with logistics, including permits and clearances, as necessary</li> <li>3. Office space and facilities as required</li> <li>4. Linkages with ongoing programs/initiatives in the area</li> </ol>

AJK = Aga Khan Development Network, AKDN = Aga Khan Development Network, FAO = Food and Agriculture Organization, JFPR = Japan Fund for Poverty Reduction, M&E = monitoring and evaluation, NGO = nongovernment organization, NWFP = North-West Frontier Province, RSP = rural support program, UC = union council.

## PROJECT SCOPE

1. The Project is aimed at revitalizing agriculture- and livestock-related livelihood activities to ensure the food security of earthquake-affected households in higher altitudes (1,500 meters above sea level), especially, in order of preference, of (i) households headed by women whose male members are either dead or incapacitated through sustained injuries, (ii) unemployed landless, and (iii) small farmers who do not have other supplementary sources of income.

2. Support will be extended to about 20 union councils (UCs), each one with about 400–500 households, for a total coverage of about 8,000–10,000 households, or about 60,000–75,000 people, who will be able to resume agriculture- and livestock-related livelihood activities with the grant support.<sup>1</sup>

### A. Expected Direct Benefits

3. In the project area, the main benefits will accrue from the production of more than 5,000 mt of maize<sup>2</sup> valued at \$600,000–\$700,000 plus about \$150,000–\$200,000 worth of by-products. This would provide the households with staple food for the summer months, and support their livestock feed requirements.

4. With project support, the households will be able to produce reasonable quantities of vegetables with a total value of about \$80,000–\$90,000.<sup>3</sup> The households are expected to consume about 25% of the produce and to sell the remaining 75% within the village and in neighboring villages, thus earning enough cash to buy dry groceries for the next 6 months.

5. Livestock support will assist the households in resuming the production of milk and dairy products. This would not only provide nutrition for the family members, especially children, but also generate cash through the sale of milk and milk products. The estimated value of incremental milk and dairy products<sup>4</sup> produced is about \$225 per household, or \$1.8 million–\$2.0 million a year for the project area.<sup>5</sup> Similarly, poultry units provided to households will generate income of about \$96,000–\$120,000 yearly through the production of poultry meat and eggs.<sup>6</sup> About 50% of this is expected to be consumed by the households, and the rest will be sold.

### B. Indirect Benefits

6. The main indirect benefit is the reduced mortality of livestock. If the animal shelters are not provided in time, animal mortality could be high. If one to two animal deaths, valued at \$500 to \$1,000 per animal, are assumed per family, the estimated total loss in the project area would be \$10 million–\$12 million. Timely support would avert such a colossal loss.

<sup>1</sup> These will include about 5–7 members per household and other on-farm labor and service providers.

<sup>2</sup> On average, each household should be able to grow about half a hectare of maize.

<sup>3</sup> Assuming each household produces vegetables valued at about \$100–\$110 in the year of support.

<sup>4</sup> The increment in yield is based on assumptions of better nutrition and the milk that would have been lost if the animals were to die without shelter.

<sup>5</sup> Incremental yield of 5 kg per day per household, valued at \$0.3, assuming 150 lactation days during the project life.

<sup>6</sup> If it is assumed that each household derives income of \$2 per month from the sale of eggs, about \$12 worth of eggs per household would be produced in 6 months.

7. The resumption of agricultural activities and cash generated through the sale of dairy products, eggs, etc., will also generate demand for wage labor and transport services. About 60,000 days of work would be generated (during the project life), giving employment to the unemployed and landless workers from the affected villages and earning them about \$180,000–\$200,000 in wages.<sup>7</sup>

### **C. Nonquantifiable Benefits**

8. The displaced people will be able to settle down, and women and children would be provided with social protection through community cohesion.

9. With the resumption of agricultural activities, cash will be injected into the affected areas, generating demand for additional services.

### **D. Environmental Benefits**

10. The resumption of land use will avert the degradation of land through soil erosion and landslides due to runoff.

11. The crop residue and livestock will generate adequate organic matter and sustain soil fertility.

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<sup>7</sup> Assuming more than 6 days of work per hectare for wage labor, valued at \$3 per day, and an equal labor demand for service providers such as artisans, milk and vegetable itinerant village traders and shopkeepers, transporters, etc.

### SUMMARY COSTS TABLE (\$)

<div style="display: flex; justify-content: space-between;"> <div style="text-align: left;"> <p>↓ Inputs / Expenditure Category</p> </div> <div style="text-align: right;"> <p>→ Grant Components</p> </div> </div>	<b>Component A</b> Union Council Emergency Livelihood Restoration Fund (\$ '000)	<b>Component B</b> Project Management Support (\$'000)	<b>Total</b> (\$'000)	<b>Percent</b>
<b>1. <u>Civil Works</u>:</b> Construction of community-based infrastructure	567	0	<b>567</b>	11.0
<b>2. <u>Equipment and Supplies</u>:</b> Crop inputs plus livestock units including cost of sheds	3,487	0	<b>3,487</b>	70.00
<b>3. <u>Training, Workshops, Seminars, Public Campaigns</u>:</b> AKDN services for training in health, sanitation, and other trainings as identified by communities	167	0	<b>167</b>	3.00
<b>4. <u>Consulting Services</u>:</b> Project monitoring consultant and audit	0	95	<b>95</b>	2.00
<b>5. <u>Grant Management</u>:</b> FAO, RSPs, and NGOs incremental costs and overheads	0	500	<b>500</b>	10.00
<b>6. <u>Other Inputs</u>:</b> Unallocated	184	0	<b>184</b>	4.00
<b>7. <u>Contingencies</u></b>	0	0	<b>0</b>	0
<b>Subtotal JFPR grant financed</b>	<b>4,405</b>	<b>595</b>	<b>5,000</b>	100.00
<b>Government Contribution</b>	0	0	<b>100.00</b>	1.90
<b>Other Donor(s) Contributions</b> (e.g. from NGOs, multi- and bilateral aid agencies)	0	0	<b>100.00</b>	1.90
<b>Community's Contributions</b> (mostly in kind)	0	0	<b>0.00</b>	0
<b>Total Estimated Costs</b>	<b>4,405.0</b>	<b>595.0</b>	<b>5,200.0</b>	
<b>Incremental Costs</b>	0	0	50	

AKDN = Aga Khan Development Network, FAO = Food and Agriculture Organization, JFPR = Japan Fund for Poverty Reduction, NGO = nongovernment organization, RSP = rural support program.  
 Source: Asian Development Bank estimates.

Table A3: Detailed Cost Estimates

Code	Supplies and Services Rendered	Costs			Contributions					
		Unit	Quantity Units	Cost Per Unit	Total	JFPR		Government	Other Donors	RSPs/ Communities
						Amount	Method of Procurement			
<b>Component A. Union Council Emergency Livelihood Restoration Fund (UCELRF)</b>				<b>Subtotal:</b>	<b>4,405,000</b>	<b>0</b>		<b>100,000</b>	<b>0</b>	<b>100,000</b>
<b>1.1 Civil Works</b>										
1.1.1 Household share in rehabilitation of watercourses and link roads etc.	household	8,100	70.0	567,000.0						
<b>1.2 Equipment and Supplies</b>										
1.2.1 Maize seed	mt	203	415.0	84,245						
1.2.2 Fodder seed	mt	405	200.0	81,000						
1.2.3 Vegetable seed	kits	48,600	3.3	160,380						
1.2.4 Fertilizer (1Urea@ 600 +1DAP@ 1800)	bags	8,100	30.0	243,000						
1.2.5 Goats	animal	16,200	50.0	810,000						
1.2.6 Poultry unit	units	8,100	8.3	67,230						
1.2.7 Animal shelter	shelter	8,100	250.0	2,025,000						
1.2.8 Concentrates (6 kg per month)	mt	97	166.7	16,200						
<b>1.3 Training, Workshops, and Seminars</b>										
1.3.1 AKDN training services	lump sum	1	166,667	166,667						
<b>1.4 Other Project Inputs (unallocated as identified by communities)</b>										
1.4.1 Unallocated	lump sum	1	184,278	184,278			100,000			100,000
<b>Component B - Project Management Support</b>				<b>Subtotal</b>	<b>595,000</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>2.1 Consulting Services</b> (e.g., for management and monitoring/assessments)										
2.1.1 Project monitoring consultant	month	3	25,000	75,000						
2.1.2 Audit	lump sum			20,000						
<b>2.2 Management and Coordination of this Component</b>										
2.2.1 FAO Grant management overheads	lump sum	1	500,000	500,000						
<b>Subtotal (Components A to C)</b>				<b>Subtotal</b>	<b>5,000,000</b>					
<b>Contingency (maximum 10% of total JFPR contribution)</b>										
<b>Total Grant Costs</b>				<b>Total</b>	<b>5,000,000</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Incremental Cost Details</b>										
<b>Total Incremental Costs</b>					<b>50,000</b>			<b>100,000</b>		<b>100,000</b>

AKDN = Aga Khan Development Network, FAO = Food and Agriculture Organization, JFPR = Japan Fund for Poverty Reduction, RSP = rural support program.  
Source: Asian Development Bank estimates.

## FUNDS FLOW ARRANGEMENT

1. As the Project has been designed to be responsive to the needs of the communities in the more remote locations of the high lands, to minimize the toll taken by the harsh winter conditions, speedy delivery of the component inputs is essential within the implementation period of only 9 months. The funds flow arrangement has therefore been designed in line with this philosophy to ensure quick flow of funds, while ensuring that all checks and balances are in place and there is full accountability and transparency of transactions. The Ministry of Food, Agriculture, and Livestock (MINFAL) will be the Executing Agency for the Project, and the Food and Agriculture Organization (FAO) of the United Nations will be the primary Implementing Agency and will provide project management. An independent project monitoring consultant (PMC) will also be selected and engaged directly by the Asian Development Bank (ADB).
2. **Contracts.**<sup>1</sup> The Project is designed to deliver urgently required agricultural and livestock inputs to the affected households. Speed of delivery is crucial, while ensuring full accountability and transparency in the implementation. Aside from the Executing Agency (MINFAL), the primary Implementing Agency (FAO), and the PMC, there will be three subsidiary implementation agencies, namely, the National Rural Support Programme (NRSP), the Sarhad Rural Support Programme (SRSP), and the Aga Khan Development Network (AKDN). These three agencies have been selected for their unsurpassed track record in the project areas and the services they will provide for the Project.
3. ADB will enter into an implementation service contract with FAO, which will be directly selected as the primary implementation and service provider. FAO will then engage NRSP, SRSP, AKDN, and, as necessary, other rural support programs (RSPs) or nongovernment organizations (NGOs) as subsidiary implementing service agencies. This contract will be implemented over 9 months starting in February 2006. The PMC is expected to deliver 3 person-months of input. Another independent individual consultant will be recruited to undertake an independent audit of project disbursements, as required under JFPR guidelines. All consultants will be recruited according to ADB's *Guidelines on the Use of Consultants*. The procurement of goods will conform to ADB's *Guidelines for Procurement* and with FAO's guidelines.
4. **Disbursement.** Funds will be disbursed as provided in the contracts, with provision for direct payment to FAO, the PMC, and the audit consultant, subject to approval by ADB. Direct payment to FAO was deemed, after detailed discussions, to be the most appropriate mode of payment to that organization. As FAO is to be the primary implementing agency, the funding package will include all costs for sourcing, procuring, and delivering all inputs for the agriculture and livestock components to the target beneficiaries. The three subsidiary implementing agencies—AKDN, NRSP, and SRSP—will be engaged on separate contracts with FAO. Payment to these agencies will be released as agreed in their contracts.
5. **Audit.** FAO shall (i) maintain, or cause to be maintained, comprehensive accounts for the JFPR Project; (ii) have such accounts and related financial statements audited at midterm and at project completion in accordance with appropriate auditing standards consistently applied, by independent auditors acceptable to ADB; (iii) furnish ADB with certified copies of the audited accounts and financial statements and the related report of the auditors, including their opinion on the use of the JFPR funds, all in the English language, as soon as these documents available but in any event not later than 6 months after the end of the fiscal year; and (iv) furnish

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<sup>1</sup> The roles and responsibilities and the terms of reference for the contracts is in Supplementary Appendix B.

ADB with such other information concerning the accounts and financial statements and their audit as ADB shall from time to time reasonably request.

6. **Contract Package 1. Services Provided by FAO.** The contract with FAO will cover (i) project management; (ii) sourcing and procurement of all the inputs for the agriculture and livestock interventions in the Project including animal sheds (to be delivered by FAO to each union council headquarters); (iii) specialist inputs, advice, guidance, and support services for the agriculture and livestock sectors, as necessary during the Project; (iv) costs for engaging NRSP, SRSP, and AKDN to consult, mobilize, and interact with the communities to ascertain their priority needs, as well as specialized services for community and public health awareness campaigns and sanitation services. These RSPs will also deliver the inputs from the union council headquarters to the communities.

7. **Services To Be Provided by AKDN, NRSP, and SRSP under the Main FAO Package.** The main function of AKDN, NRSP, and SRSP will be to provide (i) direct access to the target communities and comprehensive interaction with them, and (ii) community mobilization. As the provision of adequate winter shelter for small ruminants and other animals in the target areas is a substantial component, the RSPs and AKDN will source preferably local materials for these shelters, along with galvanized iron or sheet steel, and enable their delivery. Where necessary, they will coordinate the airlifting of these materials to otherwise inaccessible sites.

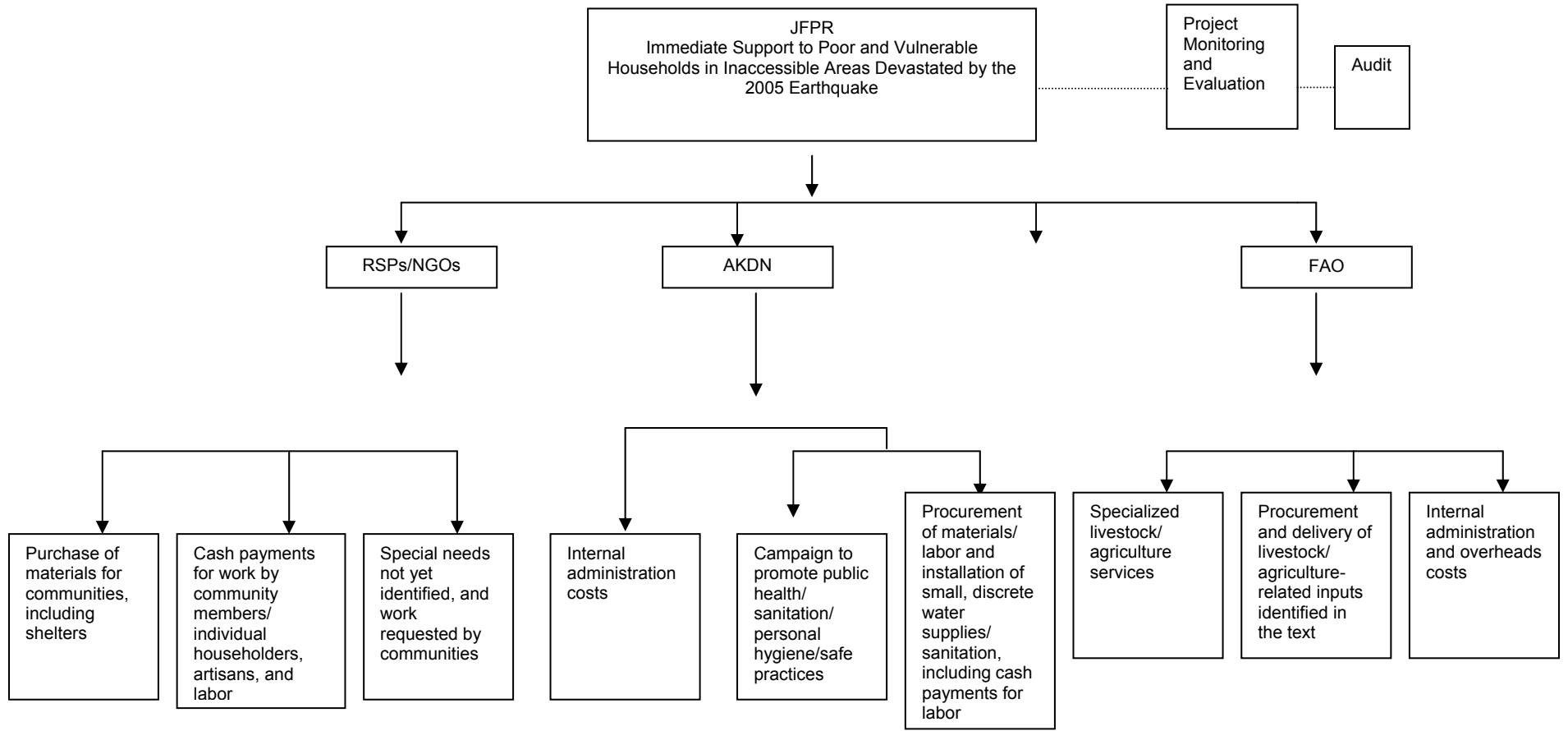
8. AKDN, NRSP, and SRSP will also encourage the construction of the animal shelters, as well as small-scale water supply and sanitation facilities, using locally available skilled and unskilled labor. The laborers will be paid in cash, at prevailing market rates, also to be provided and disbursed through contract with RSPs. In addition, the RSPs and AKDN will identify any special and felt needs expressed by the communities and bring these to the attention of the Project Steering Committee (PSC) and the respective coordination committees, and the union council and district authorities. Works will be determined through direct community consultation with the target communities and a full participatory process, and will be prioritized according to the same processes. The three contracts with the subsidiary implementing agencies will provide adequate funds to cover all the aspects of work described here, as well as acceptable overhead.

9. **Specific Services To Be Provided by AKDN.** The main function of this service provider will be to interact with the target communities, to identify their need for small-scale water supply and sanitation facilities, and to provide appropriate solutions to address these needs. AKDN will also install the necessary facilities, with the approval of the PSC and the respective coordination committees, and conduct a comprehensive public awareness campaign to disseminate information about personal hygiene, public health, safe water, and waste disposal by households. The awareness campaign will use local radio and other mass media, public meetings and gatherings, and workshops for line agency staff and others. AKDN is likely to provide or facilitate the provision of helicopter services for the airlifting of goods and materials to inaccessible locations during the Project. The costs associated with all the foregoing activities, as well as reasonable overhead, will be part of the AKDN contract with FAO.

10. **Procurement by FAO and Logistic Details.** FAO will source and procure suitable small ruminant livestock for the restocking and improvement of herd size as planned for the Project. The procurement is likely to be from other parts of Pakistan and will be certified. FAO will also advise on the nutritional requirements of the animals, and the sourcing and procurement of feed such as molasses-enriched blocks and other materials. Likewise, all agricultural inputs will be sourced and procured by FAO and delivered to union council headquarters. From there, the RSPs and the line departments will deliver the inputs to the communities. All costs for the

procurement and delivery to sites prior to airlifting will be included in FAO costs. FAO will also be required to coordinate with AKDN for the delivery of the inputs by helicopter to the target sites as necessary.

**Figure A4: Funds Flow Arrangement**



AJK = Azad Jammu and Kashmir, AKDN = Aga Khan Development Network, FAO = Food and Agriculture Organization, JFPR = Japan Fund for Poverty Reduction, NGO = nongovernment organization, NWFP = North-West Frontier Province, RSP = rural support program.  
 Source: Asian Development Bank estimates.

## IMPLEMENTATION ARRANGEMENTS

1. The Project is designed to deliver urgently required agricultural and livestock inputs to the affected households, bearing in mind that the speed of delivery is crucial while ensuring full accountability and transparency in the implementation. The Executing Agency (EA) will be the Ministry of Food, Agriculture, and Livestock (MINFAL), and the primary Implementation Agency will be the Food and Agriculture Organization (FAO) of the United Nations, which will provide project management. FAO, in turn, will sign separate contracts with the National Rural Support Programme (NRSP), the Sarhad Rural Support Programme (SRSP), and the Aga Khan Development Network (AKDN). These agencies are already providing services in the project areas (see Supplementary Appendix A). An independent project monitoring consultant will be engaged to provide monitoring and evaluation oversight for the implementation of the Project.
  
2. The terms of reference for each of these agencies and their respective roles and responsibilities are in Supplementary Appendix B. All contracts will be in accordance with procedures acceptable to the Asian Development Bank (ADB). Auditing will be carried out by an independent auditor acceptable to ADB. In addition, ADB's standard audit clause will form part of the JFPR grant agreement, with the reporting time frame adjusted as necessary.
  
3. Implementation will involve five tiers of functions as follows:
  - (i) **Tier 1: Oversight function.** Oversight will be provided at the federal level by the project steering committee (PSC), which will meet on the second working day of each month. It will be chaired by the MINFAL representative and will have as members representatives from the EAD, MOF, Ministry of Planning, the governments of AJK and NWFP, FAO, RSPs and AKDN, and NGOs. The PSC will ensure that the critical activities continue to function for smooth implementation, especially as this is a fast-disbursing project with an implementation period of only 9 months. But the PSC will have no role in the day-to-day operation of the Project.
  
  - (ii) **Tier 2: Coordination function.** Project activities will be coordinated by the coordination committees for Azad Jammu and Kashmir (AJK) and for the North-West Frontier Province (NWFP). Each committee will meet every other week, on the first working day of the week. The AJK coordination committee (AJKCC) and the NWFP coordination committee (NWFPCC) will each be chaired by the Additional Chief Secretary or an alternate, and have as members representatives from relevant line agencies, AKDN, FAO, NGOs and RSPs. The role envisaged for these coordinating committees is: (a) coordination, and (b) approval of work plans. They will have direct responsibility for ensuring that the Project is implemented as designed and speedily, particularly through full coordination with all relevant agencies in their respective areas, to minimize bureaucratic bottlenecks. Following consultative and participatory meetings with the target communities to identify and prioritize felt needs within the project framework, the RSPs and AKDN will prepare the work plans and these will be consolidated by FAO, together with the schedule of FAO activities. This overall work plan will be submitted to the coordinating committees for approval and to the PSC for its information. Copies will be provided to ADB and to the monitoring consultant recruited under the Project.

- (iii) **Tier 3: Implementation function.** FAO will have overall responsibility for the delivery of the Project as envisaged in the design and will have implementation contracts with AKDN, NRSP, and SRSP. AKDN has long and extensive experience in the rural areas of the Project in health, sanitation, safe water, and related matters, as well as in the provision of public health and hygiene awareness campaigns. In addition, AKDN is unique among the RSPs in that it owns and operates helicopters within these areas. It will be requested to provide helicopter services to airlift goods and materials as necessary for the Project. NRSP and SRSP<sup>1</sup> have been functioning in the rural areas of the Project and throughout the country, providing community mobilization and rural community development for over two decades. They have strengths in AJK and NWFP, respectively, and will be most useful in interactions with the communities. The design of the Project demands that these service providers be engaged for the implementation of the Project, as they provide very specific strengths and advantages. The basis of the RSPs' work will be interactive contact and consultation with the target communities, to elicit and prioritize their needs. Contracts with FAO and RSPs will be signed in the first 2 weeks of implementation. After that, there will be 2 weeks of intensive community consultation and interaction by the RSPs to identify and prioritize the required works in a fully participatory manner. The prioritized work plan will then be presented to the coordination committees, which will approve them. Implementation will follow. Wherever possible, locally available materials for the construction of civil works will be the preferred option. The project design also provides for the use of locally available labor, skilled or unskilled, at full local commercial market rates. These measures will enable the members of the communities not only to contribute to the project activities but also to obtain gainful employment during the Project.
- (iv) **Tier 4: Project delivery function—interventions at union council and/or subdistrict levels.** According to the priority list prepared in full consultation with the target beneficiary communities at union council and district and subdistrict levels, and as agreed, project interventions will be delivered according to the timeline determined in the approved work plans. The delivery of inputs will be reported routinely every other week by the subsidiary implementation service providers (AKDN, NRSP, and SRSP) to the primary implementation service provider (FAO). FAO will provide consolidated implementation reports every month to AJKCC, NWFPCC, and PSC. The monthly reports will be submitted at least 2 working days before the monthly meeting of the PSC and every second meeting of AJKCC and NWFPCC. This reporting framework will also be the vehicle for bringing any problems, issues, and concerns related to implementation, to the attention of AJKCC, FAO, NWFPCC, and PSC as appropriate. The monitoring of the quality, quantity, and timeliness of deliveries will be the responsibility of the PMC. The PMC will also report on compliance with environmental and social safeguards by the Project.

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<sup>1</sup> Supplementary Appendix C gives details of the continuing work of AKDN, NRSP, and SRSP over two decades in AJK and NWFP, and the strengths and advantages they will bring to the Project for its speedy implementation.

## ENVIRONMENTAL AND SOCIAL SAFEGUARDS

### A. Environmental Safeguards

1. As a number of small-scale facilities including foot bridges, minor water supplies, sanitation facilities including individual household human waste disposal facilities, and minor irrigation schemes have suffered damage or destruction, it is essential to assist the target communities in restoring these facilities. In addition to providing assistance with livestock and agricultural inputs, the Project will therefore also address the continued wellbeing of the affected and particularly the most vulnerable by assisting them with the urgent restoration of their small-scale facilities. The Project will determine these specific needs and prioritize them through full consultation by the RSPs with the target communities and then deliver the required inputs. As these facilities are needed by the communities and households, they will be addressed in the Project. All civil works in the Project will incorporate earthquake-resistant design and building practices, and will avoid rebuilding in environmentally fragile or sensitive areas including steep and unstable slopes.

2. Given the designed activities, the Project is not expected to have significant adverse environmental impact. First, the civil construction activities envisaged are minor and discrete and in individual locations. They will not generate any negative impact. The installation of sanitation facilities, which may be done per household, will have appropriate safeguards to ensure that the septic tanks or similar receptacles are watertight and that the septic material from human waste does not contaminate the shallow groundwater resources. The minor water supply interventions will be approved on a case-to-case basis to ensure that the sources are free from contamination. The Project is environment category C, but includes minor construction activities involving community-based infrastructure. To avoid possible problems, a simple environmental assessment framework (Supplementary Appendix D), which defines and delimits the types and scale of infrastructure subprojects to be allowed, has been prepared. This is further supplemented by the procedures applied by the RSPs. According to the arrangements for the ongoing World Bank–assisted Pakistan Poverty Alleviation Fund (PPAF) project, the RSPs are required to ensure that all subprojects comply with the prevailing laws and regulations relating to health, safety, and environmental protection, including PPAF’s environmental management framework. These arrangements will apply to all interventions in community infrastructure to be supported under the Project.

### B. Social Safeguards

3. The RSPs and the NGOs engaged will be responsible for carrying out a comprehensive social assessment of the target areas to determine the potential vulnerabilities of the affected communities in these areas. Particular attention will be paid to the vulnerable groups already identified, including households headed by women or by injured or disabled persons, and those with no surviving parents. Such assessments will provide clear options for the Project to ensure that these vulnerabilities are contained and do not prevent the vulnerable groups from receiving the full benefits under the Project.

4. Support for the most severely affected households will be based on an appropriately focused needs assessment, where local community groups rank households according to how severely affected they are. This needs to be a community-based participatory process involving all members of the community and not just leaders of men’s and women’s groups. The RSPs and NGOs will be required to demonstrate how they enabled these processes to occur, and to provide relevant documentation to both the Implementing Agency and the local communities.

5. The AKDN, NGO, and RSP networks have wide and decades-long experience of working with poor communities with a participatory approach. They have carried out relief and rehabilitation work during previous earthquakes, drought, and floods, and other calamities in addition to their normal work with the communities and will identify the most vulnerable communities and provide technical and logistic support to the local level Government institutions at union council and district levels. These service providers will as a first priority ascertain the land tenure status of the beneficiary householders to ensure that the assistance under this Project will not exclude the de facto landless. Where necessary, coordination will be sought with the Governance component of the EEAP Loan and Grant package, to re-issue lost titles as well as identity cards and other documents to the affected householders. All stakeholder groups, especially the illiterate and semiliterate, will be assured of their entitlements through a sustained information dissemination campaign.

6. To ensure that immediate household food security needs are met during the remaining winter and early spring months, women will be empowered to allocate emergency supplies of basic foodstuffs within the household. A similar approach to that used by traditional food security agencies (e.g., the World Food Program of the United Nations or a humanitarian NGO such as Oxfam) will be used to ensure that there is equitable distribution of emergency food and nonfood supplies to affected households.

7. To ensure the sustainability of livestock replacement interventions, all beneficiaries will be required to share replacement stock with other villagers. A revolving livestock “bank” or similar facility will be created to help make this possible.

8. To ensure that the rehabilitation of small physical infrastructure (e.g., foot bridges and mountain paths) also meets the immediate and longer-term strategic development needs of local communities (including and especially women), rapid participatory assessments (RPAs) will be facilitated by the RSPs and NGOs in the affected communities targeted by the JFPR, immediately after its approval. The infrastructure might entail some involuntary resettlement impact and voluntary land donations from the community. Asian Development Bank procedures require the preparation of a resettlement framework to guide the screening of JFPR-funded subprojects and identify any involuntary resettlement impact, and provide guiding principles for the preparation of resettlement plans. The resettlement framework for PAK: Earthquake Emergency Assistance Project<sup>1</sup> will be applied to the Project. If resettlement plans are required, they will be prepared in accordance with that framework.

9. To ensure that hygiene and sanitation awareness programs generate demand-driven interventions, AKDN will target women because they largely manage household-based water supply and sanitation, but not to the exclusion of other members of the community, including children in school. The demand-driven interventions, which might include latrines or bathrooms or similar facilities, would be financed either out of the JFPR grant or through other services or partners.

10. In view of the impact of the earthquake on household-based livelihood assets, JFPR will help bring about enabling environments wherein households can rebuild their livelihood assets (especially social and financial capital) by working with local communities to mobilize or

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<sup>1</sup> ADB. 2005. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan, Pakistan Earthquake Fund Grant, and Technical Assistance Grant to the Islamic Republic of Pakistan for the Earthquake Emergency Assistant Project*. Manila.

remobilize savings no matter how small. The exact means adopted in the communities will depend on the consultations with the local communities.

11. As per the recommendations of the Japanese Embassy in Islamabad, terms of reference of FAO and RSPs/NGOs will also include pilot activities to promote awareness of livestock insurance and modalities that could be incorporated for institutionalizing this form of insurance in selected union councils of AJK and NWFP. AKDN and other agencies will be contracted for providing training to the poor and vulnerable households in earthquake-resistant construction activities.

### **C. Additional Monitoring Indicators**

12. Wealth-ranking exercises based on the impact of the earthquake on specific households will demonstrate that the most severely affected households are accorded the greatest priority. Local communities will rank these households within an enabling environment provided by the RSPs/NGOs contracted by JFPR. The actual distribution of JFPR inputs will be assessed against these prioritized lists. To guard against “elite capture,” all adult household members will participate in these exercises.

13. Gender- and poverty-disaggregated data that take into account the differential impact of the earthquake on specific households and members of these households will be used to assess whether JFPR interventions have targeted the poorest and most vulnerable households (the major indicator should be the extent to which the interventions meet food security needs, including nonfood needs). To ensure that this requirement is complied with and adequately monitored and evaluated, JFPR will facilitate participation, monitoring, and evaluation by communities by involving them in the monitoring and evaluation activities of the Project.

14. In efforts to achieve sustainability of interventions by establishing a livestock bank or similar facility, for example, the emphasis should not simply be on restoring beneficiary livelihood to pre-earthquake levels but on improving the livelihood of households that were very poor and vulnerable even before the earthquake.

15. Qualitative indicators concerning the depth or quality of participation by especially poor and vulnerable groups can be continually monitored and evaluated against (i) the progress and outcomes of participatory consultations, and (ii) the extent to which poorer and vulnerable groups think their participation has helped improve their livelihood. Indicators might include improvements in food security, a greater sense of well-being and self-esteem, and increases in monetary and nonmonetary income. This is consistent with a sustainable approach to livelihood, which is highly relevant in post-earthquake Pakistan.