



Report and Recommendation of the President to the Board of Directors

Project Number: 54181-001
May 2020

Proposed Loan and Administration of Grant Islamic Republic of Pakistan: Emergency Assistance for Fighting the COVID-19 Pandemic

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 15 April 2020)

Currency unit	–	Pakistan rupee/s (PRe/PRs)
PRe1.00	=	\$0.006000
\$1.00	=	PRs166.625

ABBREVIATIONS

ADB	–	Asian Development Bank
BISP	–	Benazir Income Support Programme
COVID-19	–	coronavirus disease
FIP	–	fund implementation partner
GDP	–	gross domestic product
IMF	–	International Monetary Fund
NDMA	–	National Disaster Management Authority
NDRMF	–	National Disaster Risk Management Fund
PAM	–	project administration manual
PPE	–	personal protective equipment
PPRP	–	Pakistan Preparedness and Response Plan
UCT	–	unconditional cash transfer
UN	–	United Nations
WHO	–	World Health Organization

NOTES

- (i) The fiscal year (FY) of the Government of Pakistan ends on 30 June. “FY” before a calendar year denotes the year in which the fiscal year ends, e.g., FY2019 ends on 30 June 2019.
- (ii) In this report, “\$” refers to United States dollars.

Vice-President	Shixin Chen, Operations 1
Director General	Werner E. Liepach, Central and West Asia Department (CWRD)
Country Director	Xiaohong Yang, Pakistan Resident Mission (PRM), CWRD
Team leaders	Zheng Wu, Unit Head, Project Administration, PRM, CWRD Mian S. Shafi, Senior Project Officer, PRM, CWRD
Team members	Naeem Abbas, Senior Procurement Officer, PRM, CWRD Muhammad Javed Akram, Associate Financial Control Officer, PRM, CWRD Huma Ambreen, Project Analyst, PRM, CWRD Muzaffar H. Bukhari, Associate Project Officer, PRM, CWRD Li Cai, Lead Project Management Specialist, CWRD Nurlan Djenchuraev, Senior Environment Specialist, Portfolio, Results, Safeguards and Gender Unit (CWOD-PSG), CWRD ^a Rizwan Haider, Operations Assistant, PRM, CWRD Hiddo Huitzing, Health Specialist, Social Sector Division, CWRD Shaista Hussain, Senior Results Management Specialist, CWOD-PSG, CWRD Kashif Jamal, Financial Management Specialist, Public Financial Management Division (PFFM), PFFD Amir Hamza Jilani, Young Professional, Social Development TG, Office of the Cluster Head, SDTC (SDTC), Sustainable Development and Climate Change Department (SDCC) Baurzhan Konysbayev, Principal Counsel, Office of the General Counsel (OGC) Ursula Lagan, Counsel, OGC Januar Laude, Senior Financial Control Specialist, Loan Administration Division, Controller's Department Hiranya Mukhopadhyay, Principal Public Management Specialist, CWPF, CWRD Jesper Klindt Petersen, Advisor and Head, CWOD-PSG, CWRD Nathan Rive, Senior Climate Change Specialist, CWER, CWRD Mary Alice Rosero, Social Development Specialist (Gender and Development), CWOD-PSG, CWRD Rubina Shaheen, Principal Procurement Specialist, Procurement, Portfolio and Financial Management Department (PFFD) ^a Yukihiro Shibuya, Senior Social Development Specialist (Safeguards), CWOD-PSG, CWRD ^a Kiyoshi Taniguchi, Principal Economist, Regional Cooperation and Operations Coordination Division, CWRD ^a Fritz Tadeo Tuliao, Associate Project Analyst, CWOD-PSG, CWRD Asif Turangzai, Associate Project Officer, PRM, CWRD Donneth A. Walton, Lead Project Management Specialist, CWRD Xu Yi, Senior Financial Management Specialist, CWOD-PSG, CWRD Bushra Zaman, Associate Financial Control Analyst, PRM, CWRD Omer Bin Zia, Senior Economics Officer, PRM, CWRD
One ADB team^b	Zehra Abbas, Principal Environment Specialist, Safeguards Division (SDSS), SDCC Eduardo Banzon, Principal Health Specialist, Health SG, Office of the Cluster Head, SDSC (SDSC), SDCC Jelle Beekma, Senior Water Resources Specialist, Water SG, SDSC, SDCC

Charlotte Benson, Principal Disaster Risk Management Specialist, Climate Change and Disaster Risk Management Division, SDCC
Ashish Bhateja, Principal Planning and Policy Economist, Strategy, Policy and Partnerships Department (SPD)
Arup Chatterjee, Principal Financial Sector Specialist, Finance SG, SDSC, SDCC
Kristopher Doolittle. Marasigan, Associate Integrity Officer, Office of Anticorruption and Integrity (OAI)
Haidy Ear-Dupuy, Senior Social Development Specialist (Core Labor Standards), SDSS, SDCC
David Elzinga, Senior Energy Specialist, Energy SG, SDSC, SDCC
Carlo Antonio A. Garcia, Senior Integrity officer, OAI
Shanti Jagannathan, Principal Education Specialist, Education SG, SDSC, SDCC
Christian Oliver Mercado, Senior Strategy and Policy Officer, SPD
Christopher I. Morris, Principal Social Dev Specialist (NGO & Civil Society Center), SDCC
Akmal Nartayev, Senior Financial Management Specialist, PFFM, PPF
Irina Novikova, Senior Social Development Specialist (Safeguards), SDSS, SDCC
Keiko Nowacka, Social Development Specialist (Gender and Development), Gender Equity Thematic Group, SDCC
David Robinette, Senior Public Management Specialist (State Owned Enterprise Reforms), Governance TG, SDTC, SDCC
Susann Roth, Principal Knowledge Sharing and Services Specialist, Knowledge Advisory Services Center, SDCC
Virinder Sharma, Senior Urban Development Specialist, Urban SG, SDSC, SDCC
Takashi Yamano, Senior Economist, Economic Research and Regional Cooperation Department
Yuebin Zhang, Principal Regional Cooperation Specialist, Regional Cooperation and Integration Thematic Group, SDTC, SDCC

^a Outposted to PRM.

^b Interdepartmental advisory team.

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PROJECT AT A GLANCE

1. Basic Data		Project Number: 54181-001	
Project Name	Emergency Assistance for Fighting the COVID-19 Pandemic	Department/Division	CWRD/PRM
Country	Pakistan	Executing Agency	Benazir Income Support Program, National Disaster Risk Management Fund
Borrower	Economic Affairs Division		
Country Economic Indicators	https://www.adb.org/Documents/LinkedDocs/?id=54181-001-CEI		
Portfolio at a Glance	https://www.adb.org/Documents/LinkedDocs/?id=54181-001-PortAtaGlance		
2. Sector		ADB Financing (\$ million)	
✓ Health	Disease control of communicable disease		100.00
Public sector management	Social protection initiatives		200.00
		Total	300.00
3. Operational Priorities		Climate Change Information	
✓ Addressing remaining poverty and reducing inequalities		Climate Change impact on the Project	Low
✓ Accelerating progress in gender equality			
✓ Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability			
✓ Strengthening governance and institutional capacity		ADB Financing	
✓ Fostering regional cooperation and integration		Adaptation (\$ million)	1.00
		Mitigation (\$ million)	10.00
Sustainable Development Goals		Gender Equity and Mainstreaming	
SDG 1.1, 1.3, 1.5		Effective gender mainstreaming (EGM)	✓
SDG 2.2			
SDG 3.3, 3.8		Poverty Targeting	
SDG 5.b, 5.c		General Intervention on Poverty	✓
SDG 11.5, 11.b			
SDG 13.a			
4. Risk Categorization:	Complex		
5. Safeguard Categorization	Environment: B Involuntary Resettlement: C Indigenous Peoples: C		
6. Financing			
Modality and Sources		Amount (\$ million)	
ADB		300.00	
Sovereign Project (Regular Loan): Ordinary capital resources		300.00	
Cofinancing		5.28	
Government of Norway - Project grant (Full ADB Administration)		5.28	
Counterpart		6.52	
Government		6.52	
Total		311.80	
Currency of ADB Financing: US Dollar			

I. THE PROPOSAL

1. I submit for your approval the following report and recommendation on a proposed loan to the Islamic Republic of Pakistan for the Emergency Assistance for Fighting the COVID-19 Pandemic. The report also describes the proposed administration of a grant to be provided by the Government of Norway, and if the Board approves the proposed loan, I, acting under the authority delegated to me by the Board, approve the administration of the grant.

2. The emergency project was prepared in response to the Government of Pakistan's request to the Asian Development Bank (ADB) on 25 March 2020 for assistance in managing the outbreak of the coronavirus disease (COVID-19) in Pakistan. The project will help the government deal with the crisis quickly and flexibly by providing immediate financing to (i) strengthen its public health preparedness and responsiveness; and (ii) a social protection component for quick financial support to help meet the basic needs of vulnerable and poor segments of society. The project is part of ADB's response of supporting developing member countries in their fight against the COVID-19 pandemic and was designed in close coordination and cooperation with the World Bank.

II. THE PROJECT

A. Rationale

3. **COVID-19 outbreak in Pakistan.** The World Health Organization (WHO) declared the COVID-19 outbreak a public health emergency of international concern on 30 January 2020 and a pandemic on 11 March 2020.¹ Pakistan is highly susceptible to the spread of COVID-19 given that it borders the Islamic Republic of Iran and the People's Republic of China, which were among the initial countries experiencing the COVID-19 epidemic. Pakistan also has large numbers of returning migrant workers, an overcrowded public transportation system, an underfinanced and weak health system, and densely populated urban and peri-urban settlements. Its incidence of COVID-19 infections is quickly rising—from the first two cases and no deaths recorded on 26 February 2020 to 29,465 cases and 639 deaths by 10 May 2020.² The number of new daily cases reached the 1,000 mark in May 2020, and more than 376 health workers (including 181 doctors) became part of the overall case load.

4. **Public health impacts of the pandemic on Pakistan.** The Government of Pakistan has historically underfinanced the health sector, and the country's health expenditures accounted for less than 1% of gross domestic product (GDP) for decades.³ Consequently, Pakistan lacks basic medical infrastructure with 0.6 hospital beds per 1,000 people, compared with WHO's recommended standard of 5 beds per 1,000 people. It also falls short of WHO's recommended threshold of 23 doctors, nurses, and midwives per 10,000 people—its ratio is 12 to 10,000.⁴ Pakistan is not well prepared for a pandemic based on the latest WHO State Parties Self-Assessment Annual Reporting, which assessed the country's International Health Regulations Core Capacities and rated the technical areas of "national health emergency framework" as 2 on a scale of 1 (no capacity) to 5 (sustainable capacity), "health service provision" as 2, and "risk communication" as 1.⁵

¹ <https://www.who.int/emergencies/diseases/novel-coronavirus-2019> (accessed on 5 May 2020).

² WHO. [COVID-19 Situation Report as of 10 May 2020](#). Pakistan.

³ Ministry of Finance, Government of Pakistan. 2020. *Economic Survey 2018-19*. Islamabad. http://www.finance.gov.pk/survey_1819.html (accessed on 5 May 2020).

⁴ WHO. https://www.who.int/hrh/fig_density.pdf?ua=1 (accessed on 5 May 2020).

⁵ WHO. 2019. [Pakistan: States Parties Self-Assessment Annual Reporting on the implementation of The International Health Regulations: Scores per Capacities & Indicators](#). Geneva.

5. These limitations make the government's efforts to contain the spread of COVID-19 even more challenging. A boost to the health system is required to increase access to health services and improve the quality of service delivery; strengthen policy and governance frameworks, and adopt minimum delivery standards for infection prevention and control measures; and enable the implementation of the Pakistan Preparedness and Response Plan (PPRP) to combat COVID-19. The PPRP was prepared by the government and the United Nations (UN) country team, with support from key development partners, to control the spread of COVID-19 and reduce the related morbidity and mortality.⁶ The PPRP's predicative analysis of expected cases based on the infection rates in other countries indicates that Pakistan is likely to experience about 200,000 positive cases, of which 80% are expected to be mild, 15% moderate to severe, and about 5% critical; critical cases will require ventilation and highly specialized support.⁷

6. **Socioeconomic impacts of COVID-19.** The International Monetary Fund (IMF) projected a sharp decline in the GDP growth rate for Pakistan, from 3.3% in FY2019 to –1.5% in FY2020.⁸ This downward revision of about 4% by the IMF for FY2020 is due primarily to the decline in consumption, investment, trade, remittances, and capital flows as the result of the COVID-19 outbreak. ADB projected that the COVID-19 outbreak is expected to cause sharp declines in domestic demand, curb tourism and business travel, affecting trade and production links, and causing supply disruptions.⁹ The immediate challenge for the government will be to contain the spread of the COVID-19 pandemic and minimize economic losses, as well as protect the social and economic wellbeing of the affected and vulnerable population.

7. **Poverty and human development impacts of COVID-19.** Despite substantial reductions in poverty rates during 2001–2015, 24.3% of Pakistan's population lives below the national poverty line—31% in rural areas and 13% in urban areas.¹⁰ In addition to the 24.3% of people living below the poverty line, a further 10% are near-poor and highly vulnerable to economic and health shocks connected with the COVID-19 response, which could push them below the poverty line. By regional standards, stunting and wasting of children remain high,¹¹ and women's literacy rates and access to finance are also still low.¹² Women are more susceptible and highly vulnerable to economic shocks such as those triggered by COVID-19 because of disruptions in income and education, poor access to health and other essential services, and gender pay gaps.

8. **Needs assessment.** The PPRP identifies gaps and provides a granular roadmap to meet the critical health sector needs, including equipment, beds, testing kits, human resource, coordination, monitoring and all the specialized facilities required. This plan requires about \$595 million for the 9 months from April to December 2020 and is structured on the WHO-COVID-19 Strategic Preparedness and Response Plan Guidelines.¹³ The emphasis of PPRP is on a well-coordinated delivery, leveraging community networks and engaging existing public health experts and facilities with essential augmentation where required.

⁶ Government of Pakistan, Ministry of National Health Services, Regulation and Coordination. 2020. [Pakistan Preparedness & Response Plan COVID-19](#). 23 April 2020. Islamabad.

⁷ The projections are relatively modest given that estimates from other countries show that 20%–70% of the population could be affected, out of which 15%–20% will potentially require hospital admission and/or intensive care.

⁸ IMF. 2020. [World Economic Outlook, April 2020: The Great Lockdown](#). Washington, DC.

⁹ ADB. 2020. [The Economic Impact of the COVID-19 Outbreak on Developing Asia](#). Manila.

¹⁰ National poverty line is based on cost of basic needs approach, which include both food and non-food items. The latest national poverty line was computed using data of Household Integrated Income and Consumption Survey conducted in 2015-16.

¹¹ Government of Pakistan, Ministry of Federal Education and Professional Training, National Education Management Information System. 2017. [Pakistan Education Statistics 2015-16](#). Islamabad.

¹² World Bank. 2018. [State of Financial Inclusion of Women in Pakistan](#). Washington, DC.

¹³ World Health Organization. [Strategic Preparedness and Response Plan for the New Coronavirus](#). 2020.

9. While the health shock can be transitory, the economic damage could persist without preventive and recovery measures.¹⁴ The poverty rate in Pakistan fell from 64.3% in 2001 to 24.3% in 2015, lifting more than 23 million people out of poverty. This was made possible by the expansion of economic opportunities outside of agriculture sector, particularly with off-farm employment, out migration and its associated remittances. These economic opportunities increased real wages and boosted household consumption. However, these gains are likely to be reversed due to the COVID-19 pandemic and its associated containment measures. The economic contraction will cause significant surge in poverty and unemployment. Urban workers employed in the informal sector and daily wage workers employed in the formal sector will be seriously affected if no offset measures were taken.¹⁵

10. **Government response to the pandemic.** The National Security Committee of the Government of Pakistan constituted a National Coordination Committee on 13 March 2020, chaired by the Special Assistant to the Prime Minister on Health, to formulate and implement a comprehensive strategy to stop the transmission of the virus and mitigate its consequences. This committee comprises federal ministers, chief ministers, and provincial health departments and has designated the National Disaster Management Authority (NDMA) as the leading operational agency. A National Command and Control Centre was established within NDMA to ensure effective coordination between the federal and provincial governments. In each province, a task force on COVID-19 was formed, chaired by the chief minister, and the provincial disaster management authorities support NDMA in its operations related to the COVID-19 response.

11. The government, through the Ministry of National Health Services, Regulations and Coordination, published the National Action Plan for COVID-19 Pakistan on 13 March 2020, which provides a multipronged approach to dealing with the COVID-19 emergency, including preventive measures, containment efforts, and treatment of the infected population. Expecting an escalation in reported cases as a result of local transmission, the government initiated several actions, such as (i) enhancing the existing Disease Surveillance and Response System for use as the central database for COVID-19, into which all points of entry, quarantine sites, hospitals, and laboratories would feed real-time information; (ii) setting up 294 quarantine facilities to segregate people who traveled from abroad or had contact with a confirmed COVID-19 case but are not yet ill, and (iii) establishing 20 laboratories across Pakistan that can perform real-time polymerase chain reaction testing for COVID-19.

12. With inputs from development partners and different sectors of the economy, the government of Pakistan launched on 24 March 2020 the largest socioeconomic stimulus program in the country's history. The PRs1.2 trillion (about \$7.2 billion equivalent) program covers emergency response, social safety net measures, and support to business and economy. Similarly, the State Bank of Pakistan has adopted a timely set of policy actions to both manage inflation and boost economic activity, including lowering the interest rate, providing new refinancing facilities to support the flow of credit, and introducing temporary regulatory relief measures such as increased borrowing limits for individuals and deferred principal payments on loan obligations. The main purpose of the socioeconomic program and the PPRP health package is to keep core segments of the economy rolling, and to protect and sustain small and medium-sized enterprises and the most vulnerable segments of the society during the COVID-19 crisis, and to assist them in reengaging in the economy as the situation improves.

¹⁴ Summary Assessment of Impact and Needs (accessible from the list of linked documents in Appendix 2).

¹⁵ Pakistan Institute of Development Economics (PIDE). <https://www.pide.org.pk/pdf/PIDE-COVID19-EBook.pdf> (accessed on 10 May 2020).

13. **Development partner coordination.** The Ministry of National Health Services, Regulations and Coordination, with WHO as its technical partner, leads the coordination and policy measures for the COVID-19 response together with development partners.¹⁶ It is working closely with provincial and federal entities to implement the PPRP. A COVID-19 donor coordinating group—ADB, the European Union, the IMF, UN agencies, the World Bank, and bilateral partners—has met weekly since 24 March 2020. Regular updates on all new developments and changes in the COVID-19 response plans are discussed. The UN also constituted a crisis management team under the leadership of WHO and comprising the whole UN country team to work on critical issues, including the COVID-19 pandemic. It meets regularly to ensure adequate preparedness for and response to any humanitarian crisis.

14. The Government of Pakistan received commitments from ADB, the IMF, the United Nations Children's Fund (UNICEF), WHO, the World Bank, and bilateral partners to support its efforts to contain the spread of COVID-19 and revitalize the economy. The IMF, on 16 April 2020, approved emergency financing of \$1.386 billion for Pakistan under its Rapid Financing Instrument to support the government's emergency economic and social program to mitigate the impact of the COVID-19 crisis, and to allow Pakistan to stay on track with its commitments to the policy measures and targets of the extended fund facility.¹⁷ On 2 April 2020, the World Bank approved a \$200 million COVID-19 Emergency Response and Effectiveness Project,¹⁸ which is part of a coordinated effort with ADB through parallel financing of the government's project concept, approved by the Planning Commission, of a Pakistan National Emergency Preparedness and Response Plan for COVID-19.¹⁹

15. **Proposed ADB support.** On 25 March 2020, the government requested ADB to provide emergency financial support to manage the COVID-19 crisis. As immediate responses, ADB has (i) approved a \$0.5 million technical assistance grant²⁰ and a \$2 million grant from the Asia Pacific Disaster Response Fund to procure emergency supplies such as personal protective equipment (PPE) and biohazard equipment, and support the initial capacity surge for combating COVID-19; and (ii) provided \$30 million from the ongoing National Disaster Risk Management Fund (NDRMF) Project²¹ to procure medical equipment and supplies to strengthen hospitals, diagnostic laboratories, isolation units, and other medical facilities in the country. The proposed new project complements the World Bank support and also mobilized \$5.28 million in grant proceeds from the Government of Norway for the COVID-19 response. ADB is also preparing a Countercyclical Support Facility—COVID-19 Pandemic Response Option (CPRO) for \$500 million. The CPRO will be provided through parallel financing with the World Bank's Securing Human Investments to Foster Transformation Program and with the Asian Infrastructure Investment Bank too, in close

¹⁶ Emergency Assistance Coordination (accessible from the list of linked documents in Appendix 2).

¹⁷ On 12 May 2019, Pakistan reached a \$6 billion 39-month extended fund facility arrangement with the IMF to help support the government's efforts to reduce public debt and build resilience while expanding social spending to support the most vulnerable.

¹⁸ The project has four components: emergency COVID-19 preparedness and response (\$155 million equivalent); mitigation of disruptive impacts (\$42 million equivalent); implementation management, monitoring, and evaluation (\$3 million equivalent); and contingent emergency response (\$0 million equivalent).

¹⁹ The project concept, approved on 19 March 2020 for \$588 million (\$238 million from the World Bank and \$350 million from ADB), aims to mitigate the socioeconomic consequences of the COVID-19 pandemic through individual health, education, and social protection components.

²⁰ ADB. 2020. [Technical Assistance for Regional Support to Address the Outbreak of Coronavirus Disease 2019 and Potential Outbreaks of Other Communicable Diseases](#). Manila (TA9950-REG).

²¹ ADB. 2016. [Report and Recommendation of the President to the Board of Directors: Proposed Loans, Technical Assistance Grant, and Administration of Grant to the Islamic Republic of Pakistan for the National Disaster Risk Management Fund Project](#). Manila. In addition to the \$30 million reallocated for COVID-19 response under the project, the NDRMF Board allocated \$20 million of earned interest from the Endowment Fund capitalized under the project.

coordination with the IMF. The proposed project and the forthcoming CPRO are part of an integral package of support to the government's immediate socioeconomic stimulus program and will help mitigate the severe health, social, and economic impacts of the COVID-19 pandemic.

16. Considering the comparative advantage of using existing and well-established implementation arrangements, ADB identified the Benazir Income Support Programme (BISP), Pakistan's largest safety net institution, and the NDRMF—two government-owned agencies implementing ongoing projects—to deliver the new project. Both have established policies, systems, and procedures, with demonstrated capacities in dealing with emergencies (NDRMF) and the social protection of the poorest segments of society (BISP). The NDRMF works with a diverse set of public sector and nongovernment partners across Pakistan to support multi-hazard disaster risk reduction activities and disaster risk financing. The NDRMF will use its existing partnerships, augmented by new partners, to implement health preparedness and response initiatives to mitigate the COVID-19 impacts.

17. The government's *Ehsaas Kafaalat* Programme is responsible for the implementation of social assistance programs.²² Through Ehsaas, BISP currently provides targeted unconditional cash transfers (UCTs) of PRs2,000 per month to about 4.5 million registered BISP households through the women of the household, out of which about 0.7 million registered BISP households are financed under the Social Protection Development Project (Additional Financing).²³ The UCTs have been proven to help increase household consumption and improve the nutritional intake of poor households, and also boosted women's economic empowerment by enabling financial inclusion. The BISP program remains a considerable force of support in Pakistan's poverty reduction efforts.²⁴

18. **Emergency assistance loan modality.** The proposed project meets the eligibility criteria and relevant characteristics for emergency assistance loans. A health and social protection emergency assistance loan is justified because, first, it will help strengthen the country's public health preparedness and responsiveness to the escalating COVID-19 situation, and provide quick financial support to help meet the basic needs of vulnerable and poor segments of society. Second, the government has immediate procurement and social support requirements. Third, dedicated funding for the critical health and social sector response will be assured. Finally, the health sector requires significant capacity and implementation support in the short to medium term. Complementary health and social sector support is also being extended by other development partners (para.14 and footnote 16). The loan is consistent with ADB's Strategy 2030, particularly the operational priorities of poverty reduction, gender equality, disaster resilience, institutional capacity, and regional cooperation.²⁵

²² Government of Pakistan, Prime Minister's Office. 2019. *Ehsaas: Prime Minister's Policy Statement*. Islamabad.

²³ ADB. 2019. [Report and Recommendation of the President to the Board of Directors: Proposed Loan for Additional Financing to the Islamic Republic of Pakistan for the Social Protection Development Project](#). Manila. The overall performance of the project, which became effective on 28 November 2019, is *satisfactory*. The project has already disbursed \$112 million or 56% of the loan amount. A strategic business plan for BISP is being developed, and the recruitment of the core team of the policy research unit to be set up in BISP has started.

²⁴ Oxford Policy Management. 2020. [Benazir Income Support Programme. Evaluation Report](#). Oxford. Available at https://bisp.gov.pk/wp-content/uploads/2020/04/BISP_EvaluationReport_Ver-without_FINAL.pdf (accessed 1 May 2020).

²⁵ ADB. 2018. [Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific](#). Manila.

B. Project Description

19. The project is aligned with the following impact: coping capacity of the country to deal with the COVID-19 pandemic and other public health emergencies improved by 2024. The project will have the following outcome: adverse health and socioeconomic impacts of the COVID-19 outbreak mitigated.²⁶

20. **Output 1: Public health emergency preparedness and response strengthened.** The subprojects under output 1 will be delivered through contributions to the NDRMF and by using existing arrangements and oversight mechanisms for the screening and accreditation of public and nonpublic fund implementation partners (FIPs), and subproject selection. The overarching framework to be financed by this output aligns with the PPRP (footnote 6). The activities envisaged under this output include:²⁷

- i. providing stockpiles of PPE, medicines, and medical supplies, along with inventory control, to public health facilities to prepare them for any unexpected surge during the initial 3–6 months, and to equip them and their frontline health workers for the projected 9 months' duration of the COVID-19 crisis;²⁸
- ii. upgrading or expanding public medical facilities—including but not limited to sex-segregated patient wards; intensive care units; separate changing and resting facilities for male and female health workers; facilities for managing COVID-19 medical waste (e.g., medium-size incinerators, autoclaves); clean energy supply and backup; communications systems; and water, sanitation, and hygiene facilities, as needed.
- iii. providing additional health staff for emergency surges and safeguarding essential health services; training new and current health staff on the management of COVID-19 cases, risk communication, and health management systems (such as inventory control, disease surveillance, and standard protocols); and exchanging knowledge with Pakistan's neighboring countries and other countries in the Central Asia Regional Economic Cooperation (CAREC) region;
- iv. strengthening disaster preparedness and quick response by providing multi-hazard rescue and relief capacity in remote border areas, including emergency response vehicles, equipment, training, and supplies (Rescue 1122);²⁹
- v. supporting social distancing measures, and strengthening the outreach of COVID-19 communication by establishing a multipurpose communication and education interface in remote and marginal communities, especially in the border areas, that have limited television, cable, and internet coverage; and
- vi. providing safe community water supply and sanitation facilities for the general public in selected health facilities and public spaces, including in remote rural communities and urban informal settlements, to improve health and hygiene and reduce the rate of infections. This is expected to include public handwashing and toilet facilities.

²⁶ The design and monitoring framework is in [Appendix 1](#).

²⁷ The list is indicative only; depending on the trajectory of the COVID-19 spread, changing requirements, and related adjustments made to the PPRP, the output may change somewhat or new outputs could be added. The subproject eligibility criteria and approval procedures are detailed in Appendix 1 of the project administration manual.

²⁸ Different systems are being used for the supply chain and inventory management of COVID-19 health supplies by different federal and provincial stakeholders. These systems include the logistics management information system being used by the Ministry of National Health Services, Regulations and Coordination—which is not fully aligned and interfaced with other parallel systems being run by the NDMA and the provinces to effectively manage both demand and supply for the COVID-19 emergency response, and requires further work.

²⁹ Rescue 1122 is an emergency service established at district level in all four provinces under an act of parliament to provide timely response, rescue and emergency medical treatment to persons affected by emergencies. This subcomponent will be financed by grant funding from the Government of Norway.

21. **Output 2: Social protection for poor and vulnerable women delivered.** The project will finance the immediate additional cash transfers and provide support to the government to continue the expansion of cash transfers as the COVID-19 situation evolves. Through BISP, it will support the Ehsaas program of essential cash transfers to the poorest and most vulnerable families for minimum sustenance support. Under this output, the project will finance (i) the additional one-time cash transfers of PRs4,000 to 3.3 million women out of the 4.5 million BISP beneficiary women,³⁰ and (ii) ongoing UCT installments of PRs2,000 per month to 2.5 million out of the 4.5 million BISP beneficiary women for the first 4 months of FY2021,³¹ to enable them to meet basic food needs and cover other necessary living expenses, and allow BISP to expand the coverage to the next level of poor families likely to be worse off from the socioeconomic impact of COVID-19.

22. The BISP beneficiaries were selected using the nationwide poverty scorecard survey that is regularly updated. The survey used the proxy means testing method. Based on the weighting given to each question about household assets, family size, income level, and other aspects, a score is given to the household to determine the poverty status. Only women from the targeted families are eligible to receive the cash transfers. In addition, the cash transfers, through a targeted approach of disbursing funds to a specified or identified group of the poorest families, will also help stimulate local economies amid a countrywide economic slowdown.

C. Value Added by ADB

23. Since the 2005 earthquake emergency support, ADB has been regarded as a responsible and trusted partner of Pakistan with the necessary skills and proficiency to deal with disasters and provide rapid emergency response. ADB's disaster response projects worth more than \$2 billion have already been successfully implemented in Pakistan. These projects have focused on multi-hazard resilient approach in its disaster risk management program. In 2016, ADB supported the establishment of NDRMF, a government-owned multi-donor disaster risk fund to mitigate ex-ante risks and provide financing options for ex-post responses to enhance preparedness for future natural disasters. The donor coordination mechanism is well established and has worked well throughout the major emergencies both during the relief and the reconstruction phase. With a wide partnership network that works across sectors and regions, the NDRMF provides a common window to pool contributions from donors to invest in COVID-19 preparedness and response in line with the PRRP.

24. ADB's engagement with BISP started since its inception in 2008. As part of the Accelerating Economic Transformation Program, Subprogram 1 (\$500 million), ADB supported the launching of BISP to mitigate the social impact of the food and fuel crises in 2007 and 2008. ADB support to BISP has been continuous, including the ongoing BISP additional financing project (footnote 23), in which ADB provides technical support to help BISP improve its financial management and control systems and deepen its knowledge of global best practices in social protection and poverty reduction.

25. The design of the proposed emergency assistance project includes flexibility to accommodate the changing trajectory of the COVID-19 pandemic using multi-partner arrangements. Both project outputs allow traceability and accountability of funds through the well-established quality control and reporting systems of BISP and NDRMF. The implementation of

³⁰ The World Bank also allocated \$25 million to these one-time cash transfers from its \$200 million COVID-19 Emergency Response and Effectiveness Project (footnote 18).

³¹ The 2.5 million eligible BISP beneficiary women to be financed under the proposed project will not overlap with ADB's ongoing BISP project, which finances about 0.7 million eligible BISP beneficiary women.

the project will be complemented by ongoing (footnote 20) and new technical assistance that will promote information sharing with other developing member countries, especially those under the CAREC program.³² Regional and global market information on COVID-19-related equipment and supplies will be made available to concerned entities to inform and fast-track decisions on procurement. Another ongoing technical assistance project attached to the NDRMF project is being repurposed to support specially designed training and PPEs for the highly exposed staff working in the intensive care units.³³ It will also promote the adoption of international standards and best practices for managing pandemics and public health emergencies, especially those recommended by WHO.

D. Summary Cost Estimates and Financing Plan

26. The project is estimated to cost \$311.8 million (Table 1). Detailed cost estimates by expenditure category and by financier are included in the project administration manual (PAM).³⁴

Table 1: Summary Cost Estimates
(\$ million)

Item	Amount ^a
A. Base Cost^b	
1. Public health emergency preparedness and response strengthened	91.7
2. Social protection for poor and vulnerable women delivered	201.9
Subtotal (A)	293.5
B. Contingencies^c	14.0
C. Financial Charges During Implementation^d	4.3
Total (A+B+C)	311.8

Numbers may not sum precisely because of rounding.

^a Includes taxes and duties of \$5.6 million, of which \$3.3 million will be financed by the Asian Development Bank (ADB), \$1.8 million will be financed from the Government of Pakistan's resources, and \$0.5 million from the Government of Norway's cofinanced grant.

^b In mid-April 2020 prices.

^c Physical contingencies are computed at 10% of the base cost (excluding the cost of the social assistance package under output 2), while price contingencies are computed at an average of 1.57% per annum (2020: 1.5%; 2021: 1.6%; 2022: 1.6%) for the foreign currency component, and at an average of 8.67% per annum (2020: 12%; 2021: 8%; and 2022: 6%) for the local currency component of the project costs, including physical contingencies.

^d Includes interest and commitment charges. Interest during construction for the ADB loan has been computed at the 5-year United States dollar fixed swap rate plus a spread of 0.5% and 0.1% of the maturity premium. Commitment charges for the ADB ordinary capital resources loan are 0.15% per year to be charged on the undisbursed loan amount. ADB's applicable grant administration fee on the Government of Norway's cofinanced grant is \$0.25 million.

Source: Asian Development Bank estimates.

27. The government requested a regular loan of \$300 million from ADB's ordinary capital resources to help finance the project. The loan will have a 25-year term, including a grace period of 5 years; an annual interest rate determined in accordance with ADB's London interbank offered rate (LIBOR)-based lending facility; a commitment charge of 0.15% per year; and such other terms and conditions set forth in the draft loan agreement. Based on the custom-tailored repayment method, the average loan maturity is 15.99 years and the maturity premium payable to ADB is 0.10% per annum. The government also requested a grant of \$5.3 million equivalent from the Government of Norway, which will be fully administered by ADB.

³² ADB. Forthcoming. Addressing Health Threats in Central Asia Regional Economic Cooperation Countries and Central and West Asia Region Developing Member Countries. Manila.

³³ ADB. 2016. *Report and Recommendation of the President to the Board of Directors: Proposed Loans, Technical Assistance Grant, and Administration of Grant to the Islamic Republic of Pakistan for National Disaster Risk Management Fund Project*. Manila. (<https://www.adb.org/sites/default/files/linked-documents/50316-001-ata.pdf>)

³⁴ Project Administration Manual (accessible from the list of linked documents in [Appendix 2](#)).

28. The summary financing plan is in Table 2. For output 1, ADB loan proceeds and the Government of Norway grant will be passed on to the NDRMF to provide as grants to the accredited FIPs for eligible subprojects. ADB loan proceeds will finance national consultants, the operational cost of the NDRMF, and 100% of the expenditures for grants provided by the NDRMF to FIPs, including the overhead cost, cost of works, goods, supplies, consulting and nonconsulting services, and duties and taxes as required. The Government of Norway grant will cofinance grant proposals through the NDRMF for multi-hazard disaster risk reduction interventions, primarily via procurement of goods. For output 2, ADB will finance the expenditures in relation to cash transfers. The government will finance incremental administration and management costs of the NDRMF and BISP, and other in-kind contributions. Climate change mitigation and adaptation are expected to cost \$11 million, of which ADB will finance 100%.³⁵

Table 2: Summary Financing Plan

Source	Amount (\$ million)	Share of Total (%)
Asian Development Bank		
Ordinary capital resources (regular loan)	300.0	96.3
Government of Pakistan	6.5	2.0
Government of Norway ^a	5.3	1.7
Total	311.8	100.0

^a The Asian Development Bank's applicable grant administration fee on the Government of Norway's cofinanced grant is \$0.25 million.

Source: Asian Development Bank estimates.

E. Implementation Arrangements

29. The implementation arrangements are summarized in Table 3 and described in detail in the PAM (footnote 34).

Table 3: Implementation Arrangements

Aspects	Arrangements		
Implementation period	June 2020–May 2022		
Estimated completion date	31 May 2022		
Estimated loan closing date	30 November 2022		
Management			
(i) Oversight body	Project Steering Committee Chair: Secretary, Ministry of Economic Affairs Members: Secretary, Ministry of Finance Secretary, Planning and Development Secretary, Ministry of Climate Change Secretary, Ministry of National Health Regulations, Services, and Coordination Secretary, Poverty Alleviation and Social Safety Division Secretary, Benazir Income Support Programme		
(ii) Executing agencies	National Disaster Risk Management Fund (Output 1) Benazir Income Support Programme (Output 2)		
Procurement	Request for quotation	multiple contracts	\$0.1 million
Consulting services	ICS, national advertisement	106 person-months (10 positions)	\$1.0 million

³⁵ Mitigation finance is conservatively estimated at \$10 million based on the expected share of emission-reducing activities under output 1, and will be confirmed during implementation. It is expected to include but not be limited to the provision of energy-efficient buildings, energy supply and backup for medical facilities, and off-grid renewable energy systems for remote communities. Adaptation finance is estimated at \$1 million based on the water and sanitation component of output 1, and will be confirmed during implementation.

Aspects	Arrangements
Retroactive financing	The government requested retroactive financing up to 30% of the loan amount to reimburse additional cash transfer payments incurred after 30 March 2020 ^a to the existing beneficiaries of the Benazir Income Support Programme (Output 2).
Disbursement	The loan proceeds will be disbursed following ADB's <i>Loan Disbursement Handbook</i> (2017, as amended from time to time) and detailed arrangements agreed between the government and ADB.

ADB = Asian Development Bank, ICS = individual consultant selection.

^a The date of approval of budget allocations by the Government of Pakistan to respond to COVID-19.

Source: Asian Development Bank.

30. Outputs 1 and 2 will be implemented using the respective arrangements for ADB's ongoing NDRMF (footnote 21) and Social Protection Development (footnote 23) projects. This will entail using the same project management office, supervision and external monitoring arrangements, and financial management arrangements. The project steering committee will approve work plans and budgets and provide overall guidance in line with emergency procedures to be put in place for the expeditious delivery of the project components.

31. The project procurement arrangements are based on the "fitness for purpose" approach, with due attention to value for money, to increase the efficiency and flexibility of measures suited to the context of emergency assistance loans while consistent with ADB policies.³⁶ The NDRMF will follow ADB's Procurement Policy (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time) in engaging the services of national individual consultants and procuring office supplies and equipment. FIPs that meet the screening and accreditation criteria of the NDRMF shall be engaged by the NDRMF through grant implementation agreements. As part of the accreditation process, NDRMF will review procurement guidelines and procedures of the FIPs and ensure that they meet acceptable practices for procurement, including under emergencies as specified in the PAM and applicable public procurement rules. All public FIPs will follow the respective applicable rules and may exercise other flexibilities available under the emergency or urgency procurement procedures of these rules. Procurement through UN agencies may also be considered, as appropriate. All nonpublic FIPs will procure following the commercial best practices by ensuring compliance with core procurement principles. ADB disbursement guidelines and procedures for financial intermediaries will apply to the NDRMF advance account procedure, in line with the ongoing project. If FIPs are unable to transact in foreign currencies, ADB may implement direct payment to FIP suppliers and subcontractors recorded in the grant implementation agreements.

III. DUE DILIGENCE

A. Economic and Financial Viability

32. Pakistan will suffer significant economic consequences of the COVID-19 pandemic; the GDP growth rate is estimated to drop to -1.5% in FY2020 (footnote 8). The project outputs are expected to provide medical supplies and other health related support as well as unconditional cash transfers to mitigate the immediate adverse health and socioeconomic impacts of the COVID-19 outbreak. For the emergency response, economic due diligence following ADB

³⁶ ADB. 2020. *ADB's Comprehensive Response to the COVID-19 Pandemic*. Manila; ADB. 2004. *Disaster and Emergency Assistance Policy*. Manila; ADB. 2017. *ADB Procurement Policy – Goods, Works, Nonconsulting and Consulting Services*. Manila; and ADB. 2017. *Procurement Regulations for ADB Borrowers*. Manila. Universal procurement will apply for the procurement of critical medical and other equipment and supplies for COVID-19 response.

guidelines on economic analyses will be conducted within 3 months after the start of project implementation.³⁷ The project administration budget will include resources to undertake the necessary project economic analysis, in compliance with ADB requirements.

33. The financial sustainability assessment of BISP, performed while processing the additional financing for the Social Protection Development Project (footnote 23) in August 2019, indicated sufficient funding either through counterpart funding from the government or through development partners to finance debt repayments, operation and maintenance costs, and other expenses. Supplementary analysis does not indicate conditions that may erode the financial sustainability of BISP. The financial sustainability of the NDRMF was assessed during the processing of the NDRMF Project (footnote 21) in 2016. The entity is in its third year of operations and given its significance for ADB's country portfolio and the project, a reevaluation of the NDRMF's financial sustainability is considered prudent.³⁸ The loan agreement includes a covenant that by no later than 31 December 2020, the government will ensure that the NDRMF submits a comprehensive reevaluation of its business plan and financial projections to ADB.

B. Governance

34. BISP is the flagship social protection program of the Government and is one of the most extensively documented and evaluated public sector programs in Pakistan. ADB has worked closely with BISP since 2014 and helped strengthen its systems. Nevertheless, further work is needed in specific areas as listed in the PAM (footnote 34), including timely completion and submission of audited financial statements, regular analyses of payment complaints to identify causes and trends, and more effective follow-ups on suspected cases of corruption. A financial management assessment was conducted, and timebound actions to mitigate the fiduciary risks were agreed and included as financial covenants.³⁹

35. The NDRMF is regulated by the Securities and Exchange Commission of Pakistan and is subject to extensive statutory governance and reporting requirements under the Companies Act, 2017 and related rules. The NDRMF has a robust governance and management structure comprising a 5-member board of directors, and a management team headed by a chief executive officer. A project procurement risk assessment was conducted for the NDRMF. The BISP component does not involve procurement. The procurement risk is rated *high* because of the NDRMF's limited exposure to the health sector, engagement of several new public and nonpublic FIPs, the FIPs' lack of substantial implementation experience, and supply chain risk. To ensure the effective management of the portfolio in the health sector, the NDRMF will acquire additional internal capacities to strengthen the review of subprojects under the PPRP and accredit FIPs already operating in the health sector. The oversight function will be strengthened by hiring dedicated consultants (Table 3) for periodic independent evaluation of the FIPs' performance. The NDRMF will hire individual consultants to augment its procurement review and oversight capacity, besides extending support for building the capacity of FIPs. The NDRMF's representative (consultant) will observe bid opening and bid evaluation for all FIP contracts of \$1 million and above. The NDRMF will undertake sample-based post-procurement reviews of FIPs' procurement actions to ensure that they are in line with their approved procurement procedures and any additional procurement measures set out in the grant implementation agreements.

36. The overall pre-mitigation financial management risk was assessed as *substantial* for the NDRMF and BISP because of inherent risks associated with their respective nature of operations.

³⁷ ADB. 2017. Guidelines for the Economic Analysis of Projects. Manila.

³⁸ The annual approved budget for FY2021 is \$40.6 million.

³⁹ Financial Management Assessment (accessible from the list of linked documents in [Appendix 2](#)).

The financial management assessment confirmed that, at both entities, the budgetary, accounting, and financial reporting and auditing systems and procedures are functioning effectively. It also noted that both entities have adequately established governance and accountability structures, and adequate accounting and finance staff in place to ensure fiduciary control and financial due diligence. The assessment includes various risks related to FIPs dealing with emergencies, while key mitigation strategies are set out in the risk assessment and risk management plan. Integrity due diligence on BISP and the NDRMF found no significant integrity risks. ADB's Anticorruption Policy (1998, as amended to date) was explained to and discussed with the government, BISP, and the NDRMF. The specific policy requirements and supplementary measures are described in the PAM (footnote 34).

C. Poverty and Social

37. Pakistan has a large informal economy, limited employment opportunities in formal labor markets, and inadequate insurance schemes, and shows an increasing trend of natural and human-induced disasters, all which make the country's poor people highly susceptible to falling below the poverty line. The explosive increase of COVID-19 cases in Pakistan, partly driven by hospital-acquired infections because of weak infection prevention and control as well as spread in dense urban and peri-urban settlements, indicates an ongoing health crisis. Efforts of social distancing and quarantining to control the spread of the virus reduced economic activity—a necessary public health measure at the cost of an economic slowdown. Additional support through BISP is necessary and will ensure the continuity of UCTs and provide emergency relief to the most vulnerable and poorest segments of society to meet their basic needs.

D. Gender

38. In Pakistan, women are mostly found in non-wage employment and mainly work in the informal economy. Statistics show that women's labor force participation is just 25%—among the lowest rates in the region and in the world—compared with 82% for men (age 15 and above). Women are more likely to be laid off as a result of COVID-19-induced containment measures than men. Agriculture provides most of the business opportunities for women, followed by textiles, beauty care, and food processing. Most women (60% of the female workforce) work from home.⁴⁰ They are the first ones to lose their livelihoods because of the COVID-19-related closures of industries and small and medium-sized enterprises as well as social distancing measures. Women in Pakistan are more vulnerable during disasters and emergencies because of their lower literacy rate, less access to information technology and marketable skills, mobility constraints, and less access to and control over resources. Girls are given more household responsibilities than boys. The prolonged closure of schools will exacerbate the inequalities in educational attainment because it will lead to higher rates of female absenteeism and lower rates of school completion.⁴¹

39. The proposed project is classified as *effective gender mainstreaming* and will have positive impacts on women's well-being. In Pakistan, most nurses and other health workers are women, putting women at greater risk of exposure to the infection (footnote 41). They will benefit under the project from training on self-protection and safety measures, and the provision of properly sized PPE. Primary recipients of the cash transfers will be women, giving them livelihood support. Targeted distance-learning programs will be launched in remote communities to allow

⁴⁰ Government of Pakistan, Ministry of Women Development, and Ministry of Labour, Manpower and Overseas Pakistanis. *National Policy for Home-Based Workers*. Islamabad.

⁴¹ Government of Pakistan, Ministry of Human Rights; UN Women Pakistan; and National Commission on the Status of Women. 2020. [Gendered Impact and Implications of COVID-19 in Pakistan](#). Islamabad (accessed 5 May 2020).

girls to continue their education from their homes while maintaining social distance.⁴² Caregivers at home are also predominantly women and would have much higher exposure to infections in case of self-quarantine and self-isolation cases in communities—the communication and awareness campaign will especially target protection measures for caregivers. To underscore its effective gender mainstreaming classification, the project will have the following additional gender actions: (i) produce sex-disaggregated data and gender analysis on countrywide COVID-19 mortality and morbidity rates; (ii) develop gender-sensitive COVID-19-related standard operating procedures⁴³ to be followed at health facilities and isolation or quarantine centers; (iii) provide UCTs to eligible BISP beneficiary women; and (iv) conduct gender-inclusive awareness raising and community outreach programs on COVID-19 protection and prevention measures.

E. Safeguards

40. **Environment (Category B).** The environmental assessment and review framework was prepared by the NDRMF and ADB, since the project will be delivered through an emergency assistance loan. The project's public health emergency preparedness and response component (output 1) is expected to substantially minimize occupational and community health and safety hazards; but even so, operating incinerators to treat medical and infection waste as well as greater demand for water, sanitation, and hygiene facilities will likely have adverse site-specific impacts on air and water quality. The social protection component (output 2) does not involve any physical activity and is likely to have no environmental impact. The NDRMF adopted an environmental and social management system satisfactory to ADB. The environmental assessment and review framework includes provisions to update the system to cover any additional scope under the project and to ensure the design and implementation of adequate mitigation measures through an environmental health and safety management plan. As the safeguard capacity of the health care facilities may be limited, the NDRMF will train staff on environmental and occupational health and safety management. The framework was disclosed on ADB's website on 27 April 2020.

41. **Involuntary resettlement and indigenous peoples (Category C).** The project will have no involuntary resettlement and indigenous people impacts as defined by ADB's Safeguard Policy Statement (2009). For output 1, the NDRMF, through its environmental and social management system, will use a screening process to ensure the project covers only subprojects with no land acquisition and resettlement impacts. The result of such screening actions and other assessments will be summarized in a social safeguards due diligence report for each subproject. Social safeguard monitoring will be conducted along with environmental safeguard monitoring during project implementation. The monitoring results will be summarized in the social safeguard section of semiannual safeguard monitoring reports. The NDRMF will reassess and augment its social safeguard capacity as needed to ensure timely due diligence and monitoring of all subprojects.

F. Summary of Risk Assessment and Risk Management Plan

42. Significant risks and mitigating measures are summarized in Table 4 and described in detail in the risk assessment and risk management plan.⁴⁴

⁴² High speed hotspot will be provided in schools with catchment of 100-200 houses (within 2 kilometers) where at least 50% can access the hotspot with smart phones (44 million smartphone users in Pakistan, with broadband coverage of only 36%) and the remaining families will be provided school-owned tablets under rotational sharing arrangements among families.

⁴³ Gender-sensitive standard operating procedures to include, among others, (i) clean and separate sanitary facilities for women at isolation and quarantine centers; (ii) separate and clean housing facilities; (iii) nursing and play rooms for mothers and children; and (iv) priority treatment for the elderly, disabled, women, and children in screening and other procedures performed at airports and other entry points.

⁴⁴ Risk Assessment and Risk Management Plan (accessible from the list of linked documents in [Appendix 2](#)).

Table 4: Summary of Risks and Mitigating Measures

Risks	Mitigation Measures
Delays in the completion of audited financial statements weaken the monitoring of BISP's internal controls.	Audit of financial statements and preparation of management letter to be completed within required timelines.
The NDRMF does not effectively monitor the use of funds by FIPs.	An independent validation team will be engaged, duly integrated with the entity's internal audit function.
The project relies on global supply chains to fulfill the procurement requirements. However, global supply is currently under pressure from rapidly increasing global demand.	The project will use established capacities in existing projects funded by ADB. Procurement arrangements will be decided based on the "fitness for purpose" approach, with due attention to value for money, to increase efficiency and flexibility measures suited to the context of emergency assistance loans while still consistent with ADB policies. ^a It will also use United Nations agencies, centralized procurement, and direct contracting; leverage existing relationships with current suppliers; and maximize the supply from local markets.
Funds transferred by BISP to banks are not disbursed on time and/or completely because of COVID-related lockdowns and/or service delivery limitations of the partner banks.	BISP will obtain duly authorized and validated reconciliation certificates of disbursements from the partner banks, supported by system-generated bank statements.

ADB = Asian Development Bank, BISP = Benazir Income Support Programme, COVID-19 = coronavirus disease, FIP = fund Implementation partner, NDRMF = National Disaster Risk Management Fund.

^a ADB. 2020. *ADB's Comprehensive Response to the COVID-19 Pandemic*. Manila; ADB. 2004. *Disaster and Emergency Assistance Policy*. Manila; ADB. 2017. *ADB Procurement Policy – Goods, Works, Nonconsulting and Consulting Services*. Manila; and ADB. 2017. *Procurement Regulations for ADB Borrowers*. Manila.

Source: Asian Development Bank.

IV. ASSURANCES

43. The government and the executing agencies for the proposed project have assured ADB that the implementation of the project shall conform to all applicable ADB requirements, including those concerning anticorruption measures, safeguards, gender, procurement, consulting services, financial management, and disbursement as described in detail in the PAM and loan documents. The government has agreed with ADB on certain covenants for the project, which are set forth in the draft loan agreement and project agreements. As a condition for loan and grant disbursement on output 1, the government and the NDRMF will enter into an ongranting agreement in form and substance satisfactory to ADB.

V. RECOMMENDATION

44. I am satisfied that the proposed loan would comply with the Articles of Agreement of the Asian Development Bank (ADB) and recommend that the Board approve the loan of \$300,000,000 to the Islamic Republic of Pakistan for the Emergency Assistance for Fighting the COVID-19 Pandemic, from ADB's ordinary capital resources, in regular terms, with interest to be determined in accordance with ADB's London interbank offered rate (LIBOR)-based lending facility; a term of 25 years, including a grace period of 5 years; and such other terms and conditions as are substantially in accordance with those set forth in the draft loan and project agreements presented to the Board.

Masatsugu Asakawa
President

12 May 2020

DESIGN AND MONITORING FRAMEWORK

Impact the Project is Aligned with: Coping capacity of the country to deal with the COVID-19 pandemic and other public health emergencies improved by 2024 (Pakistan Preparedness and Response Plan to combat COVID-19) ^a			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
<p>Outcome</p> <p>Adverse health and socioeconomic impacts of the COVID-19 outbreak mitigated</p>	<p>By 2023:</p> <p>a. Financial support for food and basic needs during COVID-19 outbreak provided to at least 3.3 million poor households (2020 baseline: not applicable)</p> <p>b. Improved health system capacity to detect, assess, notify, report on, and respond to public health risk, with International Health Regulations Country Score for Pakistan rising to 55% (2020 baseline: 49%)^b</p>	<p>a. National economic data; BISP monitoring and evaluation reports</p> <p>b. State party annual reports via WHO's e-SPAR platform</p>	<p>The government's fiscal capacity and the availability of fiscal resources worsen because of the economic slowdown caused by the COVID-19 crisis.</p>
<p>Outputs</p> <p>1. Public health emergency preparedness and response strengthened</p>	<p>BY 2022:</p> <p>1a. At least 3 months' supply of properly sized PPE for all male and female health workers as well as other hygiene materials (e.g., menstrual kits, diapers, as needed) delivered to 100 public hospitals, public laboratories, or public isolation centers^c (2020 baseline: not applicable—these are consumable inventories)</p> <p>1b. Existing public facilities restructured to add at least 10 sex-segregated patient wards (average 30 beds each), with separate changing and resting facilities for male and female health workers (2020 baseline: 2,900 ICU beds)</p> <p>1c. At least 100 ambulances equipped with COVID care equipment provided and 200 staff with improved skills in line with WHO's approved pre-hospital emergency medical service readiness for COVID-19. (2020 baseline: not applicable—refurbishing)</p> <p>1d. At least 1,000 new public WASH facilities established or improved in public buildings, health facilities and public places with separate facilities for women meeting WHO standards (2020 baseline: not applicable)</p> <p>1e. At least 10,000 front-line workers^d at public health facilities, of whom at least 50% are female, improved COVID-19 case management skills (2020 baseline: not applicable)</p> <p>1f. Testing kits to perform an additional 1 million COVID-19 tests delivered to approved</p>	<p>1a.–1f. NIH and MNHSRC inventory control database; National inventory of WHO's COVID-19 data base</p> <p>1g. Provincial annual statistical data</p> <p>1h. Annual reports of Provincial Rescue 1122 agency.</p> <p>1i. WHO database and Provincial education department data base</p> <p>1a.–1i. NDRMF quarterly progress reports and Independent third-party evaluation report of the technical</p>	<p>Global production capacity and export restriction curtail options for imports, and supply chain restrictions delay deliveries.</p> <p>The national institutions have limited capacity and the country system is weak to timely deliver the outputs.</p>

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
2. Social protection for poor and vulnerable women delivered	<p>public sector labs of the health department (2020 baseline: 500,000)</p> <p>1g. At least 40 new medium sized infectious waste management units (incinerators and autoclaves) installed and operational in hospitals, and laboratories dealing with COVID-19 (2020 baseline: not applicable)</p> <p>1h. Multisector emergency response equipment provided to Rescue 1122 in at least 10 centers serving (coverage) a population of 4 million people in remote border areas^e (2020 baseline: 0—new areas with no rescue facilities)</p> <p>1i. At least 2,000 communities in remote border areas, informal settlements, and schools (1,000 all-female schools) with limited or no access to telecommunication or internet facilities get access to COVID-19 communication campaign through high-speed hotspots; this includes distant-learning option (2020 baseline: 0—new areas without access to these facilities)</p> <p>2a. 3.3 million eligible BISP beneficiary women received additional emergency cash transfers of PRs4,000 each by 30 June 2020 (February 2020 baseline: 0)</p> <p>2b. UCT payments of PRs2,000 per month for July to October received by 2.5 million eligible BISP beneficiary women by 31 December 2020 (February 2020 baseline: 0)</p>	<p>assistance consultants</p> <p>2a-2b. BISP Finance and Accounts reports confirmed by disbursement certificates by Banks.</p>	<p>Reconciliation process in preparing financial reports is not timely and may result in variances for the observed number of eligible beneficiaries.</p>
Key Activities with Milestones			
1. Public health emergency preparedness and response strengthened			
1.1 Re-appraise existing FIPs and accredit new FIPs with capacity in health sector by May 2020			
1.2 Identify, appraise, and approve the first batch of subprojects by June 2020.			
1.3 Deliver the first batch of equipment and supplies or construct first batch of assets by September 2020.			
2. Social protection for poor and vulnerable women delivered			
2.1 Release additional emergency cash transfers to eligible BISP beneficiaries by June 2020			
2.2 Provide UCT payments to eligible BISP beneficiaries for July-October by December 2020			
2.3 Monitor timely delivery of cash transfers (until first quarter of 2021)			
Project Management Activities			
Recruit individual consultants to support the NDRMF with the first batch on board by June 2020			
Prepare project completion report by November 2022			
Inputs			
ADB: \$300 million (emergency assistance loan)			
Government of Pakistan: \$6.52 million (counterpart funding)			
Government of Norway: \$5.28 million (grant)			

Assumptions for Partner Financing
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Not Applicable

ADB = Asian Development Bank; BISP = Benazir Income Support Programme; COVID-19 = coronavirus disease; eSPAR = Electronic State Parties Self-Assessment Annual Reporting Tool; FIP = fund implementation partner; ICU = intensive care unit; MNHSRC = Ministry of National Health Services, Regulations and Coordination; NDMA = National Disaster Management Authority; NDRMF= National Disaster Risk Management Fund; NIH = National Institute of Health; PPE = personal protective equipment; UCT = unconditional cash transfer; WASH = water, sanitation, and hygiene; WHO = World Health Organization.

- a Government of Pakistan, MNHSRC. 2020. *Pakistan Preparedness & Response Plan to combat COVID-19*. 23 April 2020. Islamabad.
- b The emergency assistance project will in particular support an improvement in the Health Service Provision category (current score: 33%) by creating more resilient and responsive national health systems and local health service delivery to prevent, detect, respond to, and recover from public health events.
- c The cost estimates are based on the need for 3 months of supplies of PPE and consumables for health facilities, as estimated by the MNHSRC for the Pakistan Preparedness and Response Plan to combat COVID-19 (footnote a).
- d Front line workers = health care providers, critical care staff, and technicians.
- e Equipment includes firefighting equipment, computers and connectivity for disease surveillance, equipment for ambulances, debris clearance equipment, among others, because these are multi-hazard response centers.

Contribution to the ADB Results Framework: To be determined

Source: Asian Development Bank.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/documents/rpps/?id=54181-001-3>

1. Loan Agreement
2. Grant Agreement: Externally Financed
3. Project Agreement: National Disaster Risk Management Fund
4. Project Agreement: Benazir Income Support Programme
5. Summary Assessment of Impact and Needs
6. Project Administration Manual
7. Emergency Assistance Coordination
8. Summary Poverty Reduction and Social Strategy
9. Risk Assessment and Risk Management Plan
10. Gender Action Plan
11. Environmental Assessment and Review Framework

Supplementary Documents

12. Financial Management Assessment: Benazir Income Support Programme
13. Financial Management Assessment: National Disaster Risk Management Fund
14. Financial Sustainability Analysis
15. Strategic Procurement Planning Report
16. Project Procurement Risk Assessment