



Note to Task Teams: The following sections are system generated and can only be edited online in the Portal.

Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 30-Jan-2017 | Report No: ISDSA19497



BASIC INFORMATION

A. Basic Project Data

Country Pakistan	Project ID P159428	Project Name Pakistan Financial Inclusion and Infrastructure Project	Parent Project ID (if any)
Region SOUTH ASIA	Estimated Appraisal Date 26-Jan-2017	Estimated Board Date 14-Mar-2017	Practice Area (Lead) Finance & Markets
Lending Instrument Investment Project Financing	Borrower(s) Islamic Republic of Pakistan	Implementing Agency Development Finance Group, State Bank of Pakistan, Pakistan Microfinance Investment Company Limited, Central Directorate of National Savings (CDNS)- Ministry of Finance	

Proposed Development Objective(s)

The proposed development objective is to contribute to increasing access and usage of digital payments and other financial services for households and businesses in Pakistan. This will be done by: (a) improving market infrastructure and institutional capacity, (b) supporting the uptake and usage of Digital Payments and Financial Services and by (c) improving access to financial services for microenterprises and SMEs (MSMEs).The project will seek to substantially increase access and usage of financial services by women and support women-owned MSMEs.

Components

Financing (in USD Million)

Financing Source	Amount
International Bank for Reconstruction and Development	93.00
International Development Association (IDA)	37.00
Total Project Cost	130.00

Environmental Assessment Category

F - Financial Intermediary Assessment



Decision

The review did authorize the preparation to continue

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Other Decision (as needed)

B. Introduction and Context

Country Context

Sectoral and Institutional Context

C. Proposed Development Objective(s)

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Development Objective(s) (From PAD)

The proposed development objective is to contribute to increasing access to financial services for households and businesses in Pakistan. This will be done by: (i) improving market infrastructure and institutional capacity, (ii) supporting the uptake and usage of Digital Payments and Financial Services and by (iii) improving access to financial services for microenterprises and SMEs (MSMEs). The project will seek to substantially increase access and usage of financial services by women and support women-owned MSMEs.

Key Results

D. Project Description

E. Implementation

Institutional and Implementation Arrangements



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F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

NOTE: THE WB POLICY APPLIED TO THIS PROJECT IS OP/BP4.03 (WB PERFORMANCE STANDARDS FOR PRIVATE SECTOR ACTIVITIES), IN LIEU OF SAFEGUARD POLICIES. ENVIRONMENTAL ASSESSMENT CATEGORY FOR THIS PROJECT IS FI-2 (IN ACCORDANCE WITH OP/BP4.03). ISDS DISCLOSURE IS DONE MANUALLY IN ACCORDANCE WITH WB OPCS "OFFLINE" PROCESSING FOR PROJECTS THAT APPLY OP/BP4.03. IF THE ISDS FORM CONTAINING THIS TEXT IS SUBMITTED FOR REVIEW AND CLEARANCE AND/ OR DISCLOSED, IT IS AN INCORRECT VERSION.

G. Environmental and Social Safeguards Specialists on the Team

Salma Omar,Rahat Jabeen,Ahmad Imran Aslam

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	No	<p>OP/BP 4.03, and more specifically, provisions related to private sector activities involving Financial Intermediaries (FIs), will be applied to the project in lieu of WB safeguards policies. Accordingly, the following E&S provisions will be applied to this project (to be included in the project Financing Agreement):</p> <p>Financial intermediaries are required to develop, formally adopt, and maintain a functioning Environmental and Social Management System (ESMS), acceptable to the Bank, which will enable them to identify, assess and manage E&S risks and impacts under its Bank-supported portfolio of business activities. The ESMS will ensure that all end borrowers (i.e. MSMEs) comply with the following applicable E&S requirements:</p> <ol style="list-style-type: none"> 1. Applicable environmental and social national and



local laws and regulations of Pakistan

2. List of Excluded Activities
3. Business activities that present moderate to high environmental and social risks should be operated in a manner consistent with the WB Performance Standards 1 through 8. This will also include WBG Environment, Health, and Safety (EHS) Guidelines. As the size, nature, and specific circumstances of SMEs are not known at this time, any of the Performance Standards may potentially apply based on the outcomes of the process of identification of risks and impacts hence none need to or can be triggered upfront.

The ESMS for the project should incorporate, as appropriate for the project circumstances, key elements of the ESMS described in Performance Standard 1 on Assessment and Management of Environmental and Social Risks and Impacts (as required by OP/BP4.03).

Additionally, all PFIs will manage the working conditions of their own workforce in accordance with relevant aspects of Performance Standard 2 on Labor and Working Conditions, as required by OP/BP 4.03.

Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	No	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	No	
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	Use of this policy will depend on the exact nature of activities to be financed, and their locations. During preparation, efforts will be made to understand these issues, and subsequent triggering of the policy. If required and appropriate, business activities that are expected to involve this aspect will be excluded.
Projects in Disputed Areas OP/BP 7.60	No	Use of this policy will depend on the exact nature of activities to be financed, and their locations. During preparation, efforts will be made to understand these issues, and subsequent triggering of the policy.



If required and appropriate, business activities that are expected to involve this aspect will be excluded.

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

x

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

x

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

x

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

x

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

x

B. Disclosure Requirements

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank's Infoshop?

Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

Yes



All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

CONTACT POINT

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APPROVAL

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