

INTEGRATED SAFEGUARDS DATA SHEET RESTRUCTURING STAGE

Note: This ISDS will be considered effective only upon approval of the project restructuring

Report No.: ISDSR14667

Date ISDS Prepared/Updated: 05-Nov-2015

Date ISDS Approved/Disclosed: 13-Nov-2015

I. BASIC INFORMATION

1. Basic Project Data

Country:	Nepal	Project ID:	P105860
Project Name:	Poverty Alleviation Fund II (P105860)		
Task Team Leader(s):	Mio Takada, Kamran Akbar		
Estimated Appraisal Date:	27-Sep-2007	Estimated Board Date:	06-Dec-2007
Managing Unit:	GFA06	Lending Instrument:	Specific Investment Loan
Sector:	Irrigation and drainage (25%), Animal production (25%), Other social services (25%), Water supply (25%)		
Theme:	Rural non-farm income generation (40%), Rural services and infrastructure (20%), Participation and civic engagement (20%), Social In clusion (20%)		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?			No
Financing (in USD Million)			
Total Project Cost:	96.00	Total Bank Financing:	41.80
Financing Gap:	33.20		
Financing Source			Amount
BORROWER/RECIPIENT			21.00
IDA Grant			41.80
Financing Gap			33.20
Total			62.80
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	Yes		

2. Current Project Development Objectives

The project objective is to improve living conditions, livelihoods and empowerment among the rural

poor, with particular attention to groups that have tradition ally been excluded by reasons of gender, ethnicity, caste and location and to integrate these groups into local government planning processes.

Proposed New PDO (from Restructuring Paper)

The project objective is to improve living conditions, livelihoods and empowerment among the rural poor, with particular attention to groups that have tradition ally been excluded by reasons of gender, ethnicity, caste and location and to integrate these groups into local government planning processes.

3. Project Description

This Restructuring Paper proposes a Level 2 Restructuring for the Poverty Alleviation Fund II (P105860).

This proposed restructuring is in response to the recent earthquake in Nepal and requesting (i) an extension of the current closing date (December, 2017) by one year to accommodate the extra time required due to the earthquake and its aftermath; and (ii) the reallocation of the proceeds of the Financing among the categories of IDA grant to direct the project's support to the affected Community Organizations (COs) under PAF.

There are no changes to the PDO, the implementation arrangements and the targeted districts. Earthquake response activities are added and detailed under the components of A (Small Scale Village and Community Infrastructure Projects), B (Income generating Sub-projects), D (Capacity Building and Implementation Support, as well as E (Project Management).

More specifically,

Component A: Small-Scale Village and Community Infrastructure. The objective is to rehabilitate totally and partially damaged infrastructures built in the past through PAF's block grants. PAF will provide supplemental block grants to the affected COs to support the reconstruction of totally damaged infrastructures and the rehabilitation/repair of partially damaged ones. Only in exceptional circumstances, such as changes in geological conditions, which make rebuilding/rehabilitation of previous structures impossible, new infrastructures may be supported. Such new infrastructures would remain small scale and community managed and will follow the same procedures as prescribed in the operational procedures of PAF. All infrastructures, regardless of whether they are rebuild/repairs or newly build will have to be reviewed with regards to their design appropriateness in the post-earthquake environment and technical adjustments. PAF's assessments undertaken with POs indicate there are 233 partially damaged and 57 fully damaged infrastructures previously built by PAF. The number of damaged infrastructure is likely to increase due to landslides and land slip in the coming months.

Component B: Income Generating Sub-Projects. The objective is to enable affected CO members to resume the income generation activities to the pre-earthquake level. PAF will provide supplemental block grants to the existing revolving fund (RF), which have been managed by the CO members through their IG activities. Earthquake effects on the IG activities could include: (i) damages to members' assets financed by RF with a high likelihood of inability for the borrowers to repay according to the schedule; and (ii) damages to cash if kept where physical damages were sustained. There may also be cases of losses and damages of RF records and documents. PAF's initial assessment indicate that around 1500 COs were affected from the loss of livelihoods and IG activities. The value of supplemental block grants to be transferred should not exceed NRP 15,000

per beneficiary. A clear set of rules and criteria will be established for the selection of COs and members who would benefit from the Component.

Component D: Capacity Building and Implementation. Under this component two activities are proposed:

a) Revitalization and formation of COs through Social Mobilization. Under this activity, PAF will support to revitalize around 4,900 COs in the affected areas and will intensify its support for formation of around 1100 new COs in the remaining 76 VDCs in Dhading and Sindupalchok. It is expected that this component will support the regular PAF program by not only revitalizing the existing COs but also enhancing its coverage by forming new COs.

b) Skill Enhancement for Disaster Recovery and Livelihoods. The overall objective of the Govt. of Nepal's upcoming housing reconstruction program is to ensure that destroyed/ damaged housing should be rebuilt using the earthquake resistant construction techniques. This objective requires sensitizing community (home-owners) and training laborers (masons/carpenters/steel fixers) on the earthquake resistant construction techniques. The training will also include general orientation session on Post Traumatic Stress Disorder to enhance trust building and development of empathetic feelings amongst the Social Mobilizer and PMs towards the community.

Component E Project Management, Planning and Monitoring and Evaluation. Under this component, two activities will be added.

a) Technical support to the management of the earthquake response: PAF's emergency earthquake response will be coordinated by Deputy Executive Director (DED) with an overall supervision of the Executive Director (ED). The response will be largely handled by PAF staff, but additional technical resources will be provided to allow PAF to strengthen the team where needed.

b) Third Party Process Monitoring: An additional project monitoring activity, Third Party Process Monitoring, will be implemented to cover all the PAF project districts. Process Monitoring is expected to facilitate the project management and others involved in the project to understand how and through what processes inputs get converted into outputs, what issues are critical in that process and what action is necessary to increase the effectiveness of the project interventions. It seeks to assess whether the process observed is functioning and procedures followed and points out factors responsible for the deviation, if any, and provides a platform for discussing what needs to be done about the identified issues.

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

Geographical coverage: PAF's earthquake response will target 14 affected districts and the peri-urban area in Kathmandu valley. PAF has already established Community Organizations (COs) in the 10 of these districts. A new roll-out is already progressing in the remaining 4 affected districts. A pilot project of applying the PAF modality in the peri-urban area (including Kathmandu) was also planned under the second AF, and the Partner Organization is being identified.

Target group: The target population for PAF's earthquake response will be the poor rural and peri-urban communities with special emphasis on women, Dalits and other ethnic minorities and vulnerable groups in the earthquake affected areas. This will include:

- around 4,900 existing COs in the ten districts where PAF is already operating;
- communities/settlements in two of the Major Crisis Hit districts (Dhading and Sidhupalchok) where PAF has been already operating, yet that were not yet covered;
- Communities/settlements in all of eligible VDCs in the three of the Major Crisis Hit districts

under a new roll out (Gorkha, Nuwakat, Dolkaha) and the originally targeted VDCs in one of Hit with Heavy Loss district (Lamjung)

- peri-urban populations in Kathmandu valley for skills enhancement support only.

5. Environmental and Social Safeguards Specialists

Annu Rajbhandari (GENDR)

Bandita Sijapati (GSURR)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	
Natural Habitats OP/BP 4.04	Yes	
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	Yes	
Involuntary Resettlement OP/BP 4.12	No	
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

<p>1. Describe any safeguard issues and impacts associated with the Restructured project. Identify and describe any potential large scale, significant and/or irreversible impacts:</p> <p>No large scale, significant or irreversible impacts are expected. As the main activities remain the same, i.e., Small scale village and community infrastructure, and income generation activities, the safeguard issues and impacts are same as in the original project.</p> <p>It is expected however that the socioeconomic situation of the targeted communities would be different now than it was under the parent project, hence, social assessment will be conducted as a part of overall damage assessment prior to the project implementation.</p>
<p>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</p> <p>No long term impacts are expected.</p>
<p>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</p>

<p>The community-driven development approach will ensure that alternatives will be considered as part of the process of sub-project selection and design.</p>
<p>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.</p>
<p>As the activities/subprojects being implemented are the same, the Environmental Management Framework (EMF) prepared for the first phase and later reviewed for efficiency and effectiveness during the PAF II, is adequate to address the associated impacts and other safeguard issues.</p> <p>Likewise, the Vulnerable Peoples Development Plan (VPDP) prepared under the original project that includes a section on Indigenous People (IP) will also remain the same to address any impacts (positive and negative) against IPs. The VPDP in the Operational Manual is consistent with OP/BP 4.10. Additionally, the Implementation Guidelines includes provisions for 'Programme Intervention, Damage and Need Assessment.' The assessment will include a section to identify vulnerable individuals and their specific needs in the aftermath of the earthquake. While the existing VPDP is equipped to mitigate against potential negative impacts and enhance the benefits to the vulnerable groups, additional measures, if required, will be developed as part of the VPDP to address any specific issues arising from the earthquake that would be identified through the assessment. The amended VPDP will be reviewed and endorsed by the World Bank before being implemented.</p> <p>During acquisition of voluntary land, if required, will follow the guidance provided in the Vulnerable Community Development Plan, Implementation Manual for PAF, and Environmental Guidelines, prepared for the original project, will be followed. PAF as well as the World Bank will continue to monitor diligence in administering the Environmental and Social Checklist, documentation of voluntary land donation, and transfer of ownership of the donated land to the community organizations.</p>
<p>5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.</p>
<p>Not required</p>

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	12-May-2007
Date of submission to InfoShop	06-Sep-2007
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	////
"In country" Disclosure	
<i>Comments:</i>	
Indigenous Peoples Development Plan/Framework	
Date of receipt by the Bank	01-Aug-2007
Date of submission to InfoShop	03-Sep-2007
"In country" Disclosure	
<i>Comments:</i>	

If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.

If in-country disclosure of any of the above documents is not expected, please explain why:

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment			
Does the project require a stand-alone EA (including EMP) report?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input checked="" type="checkbox"/>]
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
OP/BP 4.04 - Natural Habitats			
Would the project result in any significant conversion or degradation of critical natural habitats?	Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/>]	NA [<input type="checkbox"/>]
If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?	Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input checked="" type="checkbox"/>]
OP/BP 4.10 - Indigenous Peoples			
Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
The World Bank Policy on Disclosure of Information			
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
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 [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
All Safeguard Policies			
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
Have costs related to safeguard policy measures been included in the project cost?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
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III. APPROVALS

Task Team Leader(s):	Name: Mio Takada, Kamran Akbar	
<i>Approved By</i>		
Safeguards Advisor:	Name: Zia Al Jalaly (SA)	Date: 13-Nov-2015
Practice Manager/ Manager:	Name: Shobha Shetty (PMGR)	Date: 13-Nov-2015