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Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 14-Oct-2021 | Report No: PIDC32514

**BASIC INFORMATION****A. Basic Project Data**

Country Pakistan	Project ID P177069	Parent Project ID (if any)	Project Name Khyber Pakhtunkhwa Rural Accessibility Project (KPRAP) (P177069)
Region SOUTH ASIA	Estimated Appraisal Date Apr 04, 2022	Estimated Board Date May 26, 2022	Practice Area (Lead) Transport
Financing Instrument Investment Project Financing	Borrower(s) The Islamic Republic of Pakistan	Implementing Agency Communication and Works Department, Government of Khyber Pakhtunkhwa	

Proposed Development Objective(s)

The Project Development Objective is to improve rural accessibility to schools, health facilities and markets in Khyber Pakhtunkhwa.

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	310.00
Total Financing	310.00
of which IBRD/IDA	300.00
Financing Gap	0.00

DETAILS**World Bank Group Financing**

International Development Association (IDA)	300.00
IDA Credit	300.00

Non-World Bank Group Financing

Counterpart Funding	10.00
Borrower/Recipient	10.00



Environmental and Social Risk Classification

Substantial

Concept Review Decision

Track II-The review did authorize the preparation to continue

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Other Decision (as needed)

B. Introduction and Context

Country Context

- 1. Pakistan is at a crossroads as it deals with the coronavirus (COVID-19) pandemic.** Over the last two decades, economic growth has averaged 4.4 percent a year, below the South Asian annual average of 6.3 percent. The country was making good progress in stabilizing its economy and implementing much needed structural reforms. However, real gross domestic product (GDP) growth (at factor cost) is estimated to have declined from 1.9 percent in FY19 to -1.5 percent in FY20, reflecting monetary and fiscal tightening prior to the outbreak and the effects of COVID-19 containment measures that followed.¹
- 2. In response to COVID-19, the government announced a fiscal stimulus package of US\$7.5 billion.**² The package aims to (1) support the health sector in combatting and mitigating the virus; (2) implement social assistance measures for those adversely affected; and (3) provide stimulus to businesses and industries to protect productive assets. The financing comprises approximately US\$2.5 billion of additional resources and a reappropriation from the existing budget. Pakistan has availed of the Debt Service Suspension Initiative and expects US\$1.6 billion to \$2.4 billion in temporary fiscal space. The Government of Pakistan (GoP) published a National Education Response and Resilience Plan, and the Government of Sindh (GoS) published an Education Sector COVID-19 Response Plan in May 2020.
- 3. Despite the significant progress in the last 20 years, Khyber Pakhtunkhwa (KP), is one of the poorest provinces of Pakistan, with big urban-rural disparities that have impacted the access to education, health and markets.** The KP province is the least urbanized in Pakistan, about 80% of the population resides in rural areas, where forestry and agriculture are the major economic activities. The poverty is concentrated in the North (Upper Dir, Kohistan, Shangla and Buner), the South (Tank and Dera Ismail Khan) districts of the province and in newly merged districts (NMDs)³ with a high presence of Afghan refugees. The human capital conditions (based on education, health and income indexes – see figure 1) show the KP province under the national mean and only over the Balochistan province located in the South of Pakistan. Education (that affects more to women) and income indexes of KP show big gaps compared to other provinces, which have been exacerbated by the rural conditions of the province, the migrant and the refugee influx. In this context, the improvement of access to these services is a priority for the GoP and the Government of KP (GoKP).

¹ GDP growth estimates are based on World Bank calculations.

² Estimated US\$ equivalent for PKR 1.2 trillion stimulus package

³ Erstwhile Federally Administered Tribal Areas (FATA). These include 7 former tribal areas and 6 former frontier regions.



Figure 1
Human development indexes for Pakistan provinces and areas 2019

Areas and Provinces	Sub-national HDI	Health	Educational	Income
National	0.56	0.73	0.40	0.59
Islamabad (ICT)	0.68	0.79	0.59	0.67
Khyber Pakhtunkhwa (KP)	0.53	0.76	0.34	0.56
Balochistan	0.48	0.73	0.26	0.57
Punjab	0.56	0.71	0.42	0.60
Sindh	0.53	0.73	0.36	0.57
Azad Jammu and Kashmir,	0.61	0.73	0.52	0.61
FATA	0.47	0.83	0.25	0.48
Gilgit Baltistan	0.59	0.70	0.47	0.63

Source: Global Data Lab, https://globaldatalab.org/shdi/2019/human-development/PAK/?levels=1%2B4&interpolation=1&extrapolation=0&nearest_real=0, July 21, 2021

- The KP province is in the Northeast of Pakistan sharing borders with Afghanistan and China, this condition gives KP a geopolitical relevance to become the access for Central Asia States (CAS) and its development could have a positive impact for these countries.** The KP province is comprised of 35 districts, is home of 35 million population and contributes about 20% of the national GDP. The geographic location offers a direct gateway to CAS through Afghanistan with congested roads passing through challenging terrains that affects transport cost. In addition, the Karakorum Highway (National Highway 35) which traverses through the province offers direct connectivity to China. The CAS landlocked countries and China have a big interest to access to the ports of Karachi and Gwader. In this context, the GoKP sustainable plan 2019-2023 includes policies to support the China-Pakistan Economic Corridor (CPEC); two important projects are a priority: the Karakoram Highway up-gradation and expansion, and the proposed rail track between Havelian and Kashghar.
- The KP province is the most vulnerable to climate change given its terrain and topography.** Changes in rainfall and temperature patterns resulted in flash floods⁴, landslides and earthquakes. Due to lack of resilient infrastructure these natural calamities impacted lives, livelihoods and disruptions in the access and connectivity between districts and rural communities. Particularly, the communities in the northern, southern districts and in NMDs are the most affected. Besides the natural disasters, the province has faced human induced disasters. The GoKP has committed to introduce reforms to address these challenges faced due to climate change.⁵

Sectoral and Institutional Context

- World Bank (WB) geo spatial preliminary findings showed that almost 40 percent of the rural population in the province must travel more than one hour to access a health facility (2nd highest in the country).** Low accessibility has a direct effect on the mortality rate due to low prenatal and postnatal care, low immunization, informal births, and lack of paternal care. The health indicators show a poor performance in southern districts of KP and NMDs

⁴ 2010, 2011 and 2015

⁵ Sustainable Development Strategy (SDS). A Medium-Term Development Framework for Khyber Pakhtunkhwa for 2019-23. Planning and Development Department, GoKP



(except Karak & Bannu). In average, 15 districts are under the province average, this suggest that these districts will require special attention to improve their indicators, and access to health facilities could play a key role.

7. **In the case of access to education, the preliminary findings showed that 80 percent of rural population in KP province require more 30 minutes driving distance to primary schools, affecting more to female students.** An estimated of 28 percent of children between the ages of 6-16 years are out of school in rural parts of FATA areas, compared to the country's average of 17 percent. The province has a poor access to primary, middle, and secondary schools. In case of middle and secondary schools, the percentage is even higher, i.e., 90% and 92% respectively. This situation affects more female students, who have 1.7 percentage points difference compared to boys' schools
8. **Lack of access to markets affects small farmers of the province, impacting on the quality of products, increasing losses and the cost of transport, which reduce farmers' income.** The province is essentially rural and linked to agro-based economic activities. Almost 90 percent of the population of the province lives within two hours distance from an urban center⁶. About 20% of the roads are not paved⁷, located mainly in the North and South of KP. In 2019, the KP province showed the lowest income index compared to the rest of provinces (figure 1) due to road conditions, the long distance to major urban centers and markets (Peshawar Charsadda, Mardan, Swabi, Nowshera or Islamabad) and high transport costs, particularly in the Northern and Southern districts of the province.
9. **Rural roads play a key role connecting the districts to the provincial centers.** The province has a rural road network of 21,679 km, which is under the responsibility of the Communication and Works Department (CWD). About 72 percent of this network is spread over 22 districts serving 30 million inhabitants, while 28 percent is in the 13 merged districts serving 5 million inhabitants. Almost 41 percent of the total network is under poor condition. An additional 30 percent is expected to change from fair to poor condition if not timely maintained⁸. However, almost 20 percent of the entire network is still unpaved particularly in the NMDs which in general has a higher requirement for rehabilitation, paving and periodic maintenance. The demand to upgrade and or maintain the network has been exacerbated by climate change (as reflected above) and the limited fiscal space of the GoKP to meet its maintenance needs. In addition, there is no proper inventory of rural roads or a systematic prioritization framework (RAMS⁹) for strategic roads works planning and maintenance.
10. **Poor network conditions also pose safety hazards to the commuters and have a direct impact on school transport services.** The disparity on access to education between districts in the province correlates to the fact that some of the districts lack the required all-weather roads, lack of basic road safety measures and inadequate transport services i.e. school buses. Students in these districts generally walk or use on informal transport services to access to education, thus leading to low class attendance and drop out from schools, that particularly affects girls.
11. **The 2019-2023 strategy of KP includes institutional reforms and priority allocation of resources to support the rehabilitation and maintenance of rural roads.** The GoKP plans to implement until 2023: (i) the construction of 1,800 km of rural roads to improve connectivity between the NMDs and the districts and address low road density (of 0.26 km per square km), (ii) a road asset management system to improve, including the identification, screening, implementation, financing and monitoring of rural roads, and (iii) private sector investment in facilities.
12. **The GoKP has decided to support the districts and villages rural roads through two WB operations that will improve community participation and create synergies for both projects.** Given the jurisdictions and responsibilities between the districts and villages, the proposed project could improve access to education, health and market in district centers (P177069) and create synergies to improve intra-inter village connectivity, as part of the rural Service Delivery Activities and Local Development Project (P176780). The KP Local Government Act (2019) established a new governance structure linking Village Councils and Neighborhood Councils with elected Tehsil Chairpersons and Mayors, respectively. Citizen engagement has been strengthened by local elections and local councils with the

⁶ SDS, page 99.

⁷ GoKP – Communications and Works Department.

⁸ As per RNET assessment conducted by the Bank team.

⁹ Road Assets Management System



participation of women, youth, and other disadvantaged groups. In addition, 30 percent of resources from the provincial Annual Development Plan will be allocated to the lowest tiers of government. These operations could create important synergies, including the acceleration of the implementation of both projects by improving the availability of rural roads in villages of 11 districts of the KP province. The GoKP has long experience in the construction and maintenance of rural roads. The P176780 will support the strengthening of the dialogue and participation of stakeholders. These joint efforts could improve the commitment, ownership and scale up results and efficiencies for access to basic services and opportunities through the construction of rural roads for districts and villages. In addition, the proposed project could create indirect synergies and better results to improve the performance of other projects under implementation in the province: the irrigated agriculture for KP farmers (P163474), the improvement of availability, utilization of primary healthcare and elementary education services (P166309), improve tourism (P163562) and the regional connectivity (P159577).

Relationship to CPF

13. **The proposed project is fully aligned with the World Bank Group’s (WBG) Country Partnership Strategy - CPs FY15–20 (Report No. 84645-PK)¹⁰ and its objective to strengthen Pakistan’s Human Capital Base.** The project will improve access to education, health and markets in the KP province. This initiative will support Results Area 4: Service Delivery (Outcome 4.2: Improved Access to Maternal and Child Health Services and Outcome 4.3: Increased School Enrollment and Adoption of Education Quality Assessment).

C. Proposed Development Objective(s)

Note to Task Teams: The PDO has been pre-populated from the datasheet for the first time for your convenience. Please keep it up to date whenever it is changed in the datasheet. ***Please delete this note when finalizing the document.***

The Project Development Objective is to improve rural accessibility to schools, health facilities and markets in Khyber Pakhtunkhwa.

Key Results (From PCN)

- (a) Saving time to schools (minutes)
 - (b) Saving time to health facilities (minutes)
 - (c) People with access to an all-season rural road (number).
 - (d) User satisfaction with rural road transport, disaggregated by gender (percentage)
14. Some PDO indicators that better reflected the CPF outcomes were needed for at least one of education, health or market access. This would drive a deeper examination of the role of access in generating final outcomes (such as attendance of girls in schools) with implications on project design, size of components and potentially institutions involved in the project

¹⁰ World Bank Group. 2014. Islamic Republic of Pakistan: Country Partnership Strategy, 2015–2020. (Report No. 84645-PK), discussed by the Executive Directors on May 1, 2014, and extended by the Performance and Learning Review (Report No. 113574), distributed to the Executive Directors on an absence-of-objection basis with a closing date of June 15, 2017. The bulk of project implementation will take place under the upcoming Country Partnership Framework FY22–26, which is at an advanced stage of development. KRAP aims to support Focus Area 1 (Improve Girls and Boys Education).



D. Concept Description

- 15. The project will improve access to education, health and markets in 18 districts of KP province.** The districts will be selected based on the current access conditions, poverty, vulnerability to climate change, potential impact of roads upgrade and maintenance, and will cover mainly the Northern, Southern and NMDs areas of KP. According to initial analysis¹¹ these districts are the more vulnerable to climate risks, poor performing and remained neglected in the past. This analysis has been expanded¹² and is currently in progress. The project will also provide livelihood opportunities post COVID scenario during construction and maintenance phases.
- 16. Project components.** The total cost of the project is US\$310 million, out of which US\$300 million financed by IDA and US\$10 million by the GoKP. See figure 3 (Theory of Change).
- 17. Component 1: Safe and resilient access (IDA will finance US\$280 million and GoKP will finance US\$10 million)**
This component would finance, inter alia, the improvement of resilience, rehabilitation and maintenance of selected rural roads across the province, including the NMDs. The improvement of existing roads would be selected based on geo-spatial analysis focused on improving accessibility to education, health and market facilities and climate change risks considerations. This will include new rural roads, rehabilitation of paved roads (asphaltic and concrete, etc.) and upgradation from unpaved (gravel, earthen etc.) to paved roads and routine maintenance of unpaved and paved roads within the existing right of way¹³. Improvement will include resilience measures, including but not limited to route realignments to avoid areas with slopes / hydraulic sections vulnerable to climate risks, enhanced slope protection and drainage structures, changes in design standards for pavements that reflects a higher level of climate resilience, and a decision to seal previously gravel roads for climate resilience. In addition, the component will include the introduction of new and green technics to mitigate rainfalls and high temperatures. The loan will also finance road safety infrastructure for safe walking and cycling environment to and from schools. The project will consult female commuters on design and implementation of safety and anti-harassment features in infrastructure. A Gender-based violence (GBV) action plan will be implemented to prevent/mitigate this risk in construction activities. The Bank will finance the designs, construction, supervision, COVID-19 health protocols, GBV action plans, emergency, and contingency plans to address natural disasters and auditing. The GoKP will be responsible for the utility relocation, compensations and other social costs. A list of proposed roads¹⁴ in priority districts shared by the CWD is reflected in Annex 1.
- 18. Component 2: School transport and logistics services (IDA US\$5-15 million)¹⁵**
This component will integrate the infrastructure for access and road safety works (financed by Component 1) and the improvement of school transport services and road safety activities for primary and middle schools; and will finance: (i) the improvement of school transport, including: road safety activities, the programing and dispatch of school buses, operational efficiency and fuel savings, the provision of new buses, training for relevant staff, emergency and contingency management plans, GBV action plan to support girls mobility and the implementation of COVID-19 health protocols for transport services; and (ii) a logistics program to improve the efficiency, the implementation of green practices and the improvement of access to markets for small farmers under better conditions and international practices, including the reduction of logistic costs on crop produce, provision of storage areas, training, information system, logistic channels, market intelligence and price information system.
- 19. Component 3: Project management and institutional strengthening (IDA US\$5-15 million)**

¹¹ Geospatial analysis conducted by the Bank team.

¹² On the tentative list of roads proposed by the CWD.

¹³ No land acquisition would be required due to existing right of way.

¹⁴ Subject to change.

¹⁵ The scope and amount of resources for Component-2 and the implementation agency are yet to be discussed and finalized with the GoKP.



This component will support the strengthening of the capacity of Communications and Works Department (CWD) and the Project Implementation Unit (PIU). It will finance the implementation of GIS based RAMS (which will start its pilot stage prior to appraisal with the selection of the first subset of roads with WB support), technical assistance to the PIU to improve road safety around the schools. As well as, technical assistance and capacity building on procurement, financial management, road planning, climate resilient design, construction and maintenance, emergency maintenance and contingency plans (to manage flash floods, landslides, earthquakes etc.), gender participation during project cycle, implementation of COVID-19 health protocols for transport services, logistics and project management, including the monitoring of the implementation of the environmental and social standards (ESS) of the WB. This component will cover the administrative and operational costs related to the implementation, monitoring and evaluation of the Project.

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Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No
Summary of Screening of Environmental and Social Risks and Impacts	

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Note: To view the Environmental and Social Risks and Impacts, please refer to the Concept Stage ESRS Document. *Please delete this note when finalizing the document.*

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APPROVAL

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