

EXECUTIVE SUMMARY

1 - Introduction

Sponsored by the Government of Pakistan and funded by the World Bank and other international donors, PPAF is the lead Apex institution of the Country, wholesaling funds to civil society organizations, Partner Organizations or ‘POs’. The PPAF mission is brought forward through the implementation of several project components, including: Micro Finance (MF); Water and Infrastructure and; Health and Education.

The ESMF has been prepared to set out the environmental assessment procedures required by PPAF and its POs to assess the environmental consequences of PPAF interventions, with a view to preventing execution of interventions with significant negative environmental and social impacts. It also attempts at minimizing potential negative impacts by incorporating mitigations at the design stage and implementing mitigations at the implementation stage of the interventions.

2 – Environmental / Social Screening and Assessments

2.1 Environmental / Social Screening

Environmental Screening to select the type of environmental assessment for each PPAF intervention has been conducted by applying following criteria:

- (i) Instructions of the Pakistan Environmental Protection Act 1997 (PEPA) and Pakistan Environmental Assessment Procedures 1997 (PEAP) for the level of assessment required for the intervention i.e. Initial Environmental Examination (IEE) or Environmental Impact Assessment (EIA);
- (ii) Individual and cumulative environmental impacts of interventions in different geographical areas;
- (iii) PPAF negative lists for interventions;
- (iv) World Bank Environmental / Social Assessment requirements.

2.2 Environmental / Social Assessments

On the basis of the environmental and social screening, the ESMF proposes four types of environmental assessments for PPAF interventions, discussed below:

- An *Environmental Review (ER)* for this ESMF is defined as a confirmation statement that the intervention qualifies the minimum environmental criteria; proposed mitigations measures and costs are made part of the proposal and implemented accordingly; and finally the proponent verifies the same at the completion stage.
- A *Social Review (SR)* is defined as preliminary examination of an intervention from social perspective and identifying any issues related to it.
- An *Integrated Environmental Review (IER)* for this ESMF is defined as an assessment which is required for those interventions whose anticipated potential individualistic and cumulative environmental impacts are more than the PPAF interventions in general and less than the scope of initial environmental examination required under Pakistan

Environmental Protection Act 1997. Under this assessment the proponent of the project has to produce a confirmation statement that the proposed intervention qualifies the minimum environmental criteria; proposed mitigations measures and costs are made part of the proposal and implemented accordingly; and finally the proponent verifies the same at the completion stage.

- According to Pakistan Environmental Protection Act 1997, “Initial Environmental Examination (IEE)” is a preliminary review of the reasonably foreseeable qualitative & quantitative impacts of a proposed project on environment to determine whether it is likely to cause an adverse effect for requiring preparation of an environmental impact assessment.”

IEE for selected PPAF interventions will be carried out according to the standard format contained in Pakistan Environmental Assessment Procedures 1997.

- Environmental Impact Assessment, as stated in the Pakistan Environmental Protection Act 1997 is an environmental study comprising collection of data, prediction of qualitative and quantitative impacts, comparison of alternatives, evaluation of preventive, mitigation and compensatory measures, formulation of environmental management and training plans and monitoring arrangements, and framing of recommendations and such other components as may be prescribed.”
- Social Impact Assessment (SIA) is a study to assess social impacts of a certain intervention and measures to ensure that all segments of society benefit with minimum negative impact. SIA will be conducted in addition to EIA for all projects that require EIA. But, where the project impact is low, the SIA is not expected to be a complicated one.

Categorization of different PPAF interventions by environmental / social screening protocols is presented in Table-2.1.

3 - Dissemination and Enforcement Strategies

The ESMF will be disseminated and its compliance made mandatory, through a multi-pronged strategic framework, as follows:

3.1 Dissemination Strategies

- Capacity building of PPAF and POs in environment and social monitoring and evaluation.
- Organize environmental dissemination and training events on the basis of proposed action plan.
- Networking with the national and provincial environmental and social institutions.

3.2 Enforcement Strategies

Following the capability enhancement of PPAF and its POs, environmental and social reporting and monitoring will be carried out in the framework of the following enforcement strategies:

Table 2.1 - Environmental/Social Screening by Type of PPAF Interventions

Sr. No	Sector of Intervention	Specific Intervention	Environmental Screening Protocol					Page No.
			ER/SR	IER	IEE	EIA	SIA	
1	Water Resources Development							
		Tube wells – drinking water*		✓				IER-87
		Tube wells – irrigation in canal irrigated areas*	✓				✓	E/SR-12
		Tube wells – irrigation in dry areas*		✓			✓	IER-89
		Hand pumps	✓				✓	E/SR-14
		Open well	✓					E/SR-16
		Rain water harvesting ponds	✓					E/SR-18
		Check dams	✓					E/SR-20
		Delay action dams		✓			✓	IER-91
		Water tanks (O.H,O.G,U.G)	✓					E/SR-22
		Water channels - Mountain Areas (< 2' x 3')	✓					E/SR-24
		Watercourse (new, rehabilitation, lining)	✓					E/SR-26
		Karezes	✓					E/SR-28
		Land leveling (irrigation)	✓					E/SR-30
2	Technological Innovation							
		Wind mills (i.e. coastal areas of Balochistan and Sindh)		✓			✓	IER-96
		Micro-hydel – Less than 1 MW		✓				IER-99
		Micro-hydel – 1 to 5 MW			✓		✓	IEE-117
		Micro-hydel- More than 5 MW				✓	✓	EIA-120
		Desalination plant (for ≤100 Households)	✓				✓	E/SR-33
		Biogas Plant (for ≤100 Households)	✓				✓	E/SR-35
		Solar energy (for ≤100 Households)	✓					E/SR-37
		Energy efficient innovations (stoves)	✓					E/SR-39
3	Access/Circulation							
	A. Internal							
		Culverts	✓					E/SR-42
		Street surfacing/lining (brick soiling, concrete or local material)	✓				✓	E/SR-44
	B. External							
		Bridges		✓			✓	IER-101
		Cause ways	✓				✓	E/SR-47
		Retaining walls	✓				✓	E/SR-49
		Link roads – plain areas	✓				✓	E/SR-51
		Link roads- mountain areas		✓			✓	IER-103
4	Wastewater Management							
		Sanitation schemes (latrines, T-Chambers, drains, and oxidation pond)		✓			✓	IER-107
5	Other Projects							
		Solid waste management (for ≤100 Households)	✓				✓	E/SR-54
		NRM project (Natural Resource Management)	✓				✓	E/SR-56
		Security lights	✓					E/SR-58
		Jetty	✓				✓	E/SR-60
6	Integrated Projects							
		Area up-grading		✓			✓	IER-111
		Drought mitigation & preparedness				✓	✓	EIA-120
7	Social Sector Development							
		School	✓				✓	E/SR-63
		Basic health unit/dispensary	✓				✓	E/SR-65
8	MF Interventions							
		Agriculture/cropping*	✓					E/SR-68
		Live stock/poultry/ fish farming*	✓					E/SR-70
		Commerce/ retailing/ petty trading	✓					E/SR-72
		Handicrafts/ cottage	✓					E/SR-74
		Food / agricultural processing*	✓					E/SR-76
		Commodity/agricultural trading	✓					E/SR-78
		Manufacturing / light engineering/ workshop*	✓				✓	E/SR-80
		Micro-enterprise	✓					E/SR-82

*The prescribed environmental screening protocols assume that the project proponents and appraisers have taken cognizance of the pre and post project accumulative situation in terms of ground water depletion, soil and water contamination and air pollution. Where the mitigation measures required under these protocols fall short of reversing such situations or maintaining the status quo, the project should not be approved. The cumulative effects if various interventions will be assessed as a part of the annual environmental reviews and area specific guide lines formulated for future reference

- Start an enhanced environmental / social reporting regime
- Periodic internal monitoring by PPAF Units and ESMG.
- Outsource the annual ESMF monitoring to an eminent environmental and social development organization.

4 – Dissemination & Enforcement Action Plan

4.1 Dissemination Action Plan

The ESMF will be disseminated among all stakeholders, through carefully planned events, including seminars, workshops and roundtable discussion. An annual dissemination action plan will encompass: (a) One seminar on the environmental selected topic, one national workshop on ESMF compliance and presentation of success stories, and one roundtable, (b) One workshop in each province on the selected issues in collaboration with Provincial POs Networks or a leading PO, and (c) POs to organize two internal environmental workshops; environmental focal persons trained in the regional training workshops will serve as the master trainers.

Invitation to these events will be extended to all major stakeholders, and their proceedings will be circulated to all the invitees. Again, a number of leaflets will be published on specific environmental and social issues and a culture of e-alerts will be created throughout the network of POs.

4.2 Enforcement Action Plan

Developed in line with the enforcement strategies presented above, the Enforcement Action Plan is outlined as follows:

(a) Establishing an Environmental/Social Reporting Regime

This will involve reminding the POs that ESMF compliance is mandatory, and asking them to submit ESMF compliance reports according to the prescribed format. Based on these reports, ESMG will prepare consolidated quarterly reports on monitoring and environmental events.

(b) Regular Internal Monitoring by PPAF

Based on quarterly internal monitoring report by different Units, ESMG will prepare consolidated compliance quarterly reports on ESMF compliance.

(c) Annual Environmental/Social Management Report

An annual Environmental & Social Monitoring and Auditing of ESMF will be prepared by an external organization, which will be published and distributed to all the POs and other stakeholders.

5 – Institutional Arrangements

Three types of institutional arrangements / actions are essential for the effective implementation of ESMF. These are discussed as follows:

5.1 Establishment of an Environmental & Social Management Group (ESMG)

The ESMF will be enforced through a fully committed and well staffed, Environmental & Social Management Group, (ESMG), suitably placed in PPAF. Key responsibilities of ESGM will include:

- Implement the ‘Dissemination & Enforcement Strategy, and Action Plan’,
- Ensure that environmental mitigations given in ESMF are part of the PO proposals.
- Carry out physical verification of the claimed ESMF compliance.
- Prepare quarterly ESMF compliance report and Annual Environmental Report.
- Maintain environmental database and integrate it with existing GIS.
- Coordinate with all PPAF Units for the effective compliance of ESMF.
- Coordinate with the external environmental monitor for the annual external monitoring.

5.2 Appointment of Environmental/Social Management Professionals in POs

It will be mandatory to have one post of Environmental Managers/Assistant Managers/Focal Persons in the large and medium POs. Small POs will nominate existing CPI coordinator as Environmental Focal Person. The environmental personnel in POs will be responsible for incorporating ESMF requirements in the project proposal, ensure that agreed environmental mitigation presented in the proposal have been implemented, conduct periodic environmental monitoring, and submit the monitoring reports to ESGM.

5.2.1 External Monitoring/Assessment

ESMG will outsource the Annual Environmental and Social Monitoring/Assessment to a renowned and competent environmental organization. Based on detailed desk and field investigations the ESMA will present recommendations for improvements in the environmental and social management regimes and the design and contents of ESMF.

6 – Environmental /Social Management Costs

Environmental costs, other than human resources cost, are comprised of two sets of costs, i.e. environmental assessment and physical costs. Consolidated ESMF implementation budget is presented below:

Table 10.4 Consolidated 5 Year Budget (Amounts in Million Rs.)

Expense Head	Amount
1 – Environmental Mitigation Costs*	-
2 - Environmental & Social Management Group	30
3 - Dissemination & Enforcement Strategy and Action Plan Budget	15
4 - External Monitoring	25
Total	70

**The cost of environmental mitigation, (item 1), works out to 4% of the cost of infrastructure projects and major micro finance based interventions, (such as those under the Enterprise Development Facility*

