

**Islamic Republic of Pakistan  
Punjab Affordable Housing Program  
(P173663)**

**STAKEHOLDER ENGAGEMENT PLAN**

December 2021

## Acronyms

APHS	Affordable Private Housing Schemes
DGKA	Directorate General of Katchi Abadis
DISCO	Distribution Company
GoP	Government of Pakistan
GoPunjab	Government of Punjab
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
JV	Joint Venture
HUDD	Housing and Urban Development Department
LG&CDD	Local Government and Community Development Department
M&E	Monitoring & Evaluation
NADRA	National Database and Registration Authority
NAHPDA	Naya Pakistan Housing and Development Authority
NPHP	Naya Pakistan Housing Program
NOWPDP	Network of Organizations Working for People with Disabilities in Pakistan
OM	Operations Manual
P&DD	Planning and Development Department
PHATA	Punjab Housing and Town Planning Agency
PLRA	Punjab Land Records Authority
PSC	Program Steering Committee
STEP	Special Talent Exchange Program
TA	Technical Assistance
UU	Urban Unit
WASA	Water and Sanitation Agency
WB	World Bank

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## I. Introduction

1. The Punjab Affordable Housing Program (PAHP) aims to support the Government of Punjab (GoPunjab) to increase access to affordable housing in a sustainable manner, and in turn help achieve its objectives in implementing the Naya Pakistan Housing Program (NPHP). The Punjab Housing and Town Planning Agency (PHATA) and the Urban Unit(UU)<sup>1</sup> will be the primary implementing agencies of the Operation.

2. PAHP would help strengthen GoPunjab's capacity to achieve its mandate under NPHP and serve as a housing market enabler in the province. Specifically, it would focus on: (a) promoting private sector participation in affordable housing provision; (b) strengthening institutions with critical roles in housing policy and programs; (c) deepening housing sector regulatory reforms and operationalizing them through strengthened systems; (d) promoting livability and sustainability of housing through resilient infrastructure investments; and (e) improving the affordability of housing through alternative housing solutions.

3. The Program Development Objective (PDO) is to support the Government of Punjab in strengthening its housing institutions and systems, and enhancing the quality and quantity of affordable housing supply.

### 1.1 Program Description

4. The proposed operation will be financed through a hybrid of Investment Project Financing (IPF) and Program-for-Results (PforR) instruments, through a US\$200 million credit from the World Bank. The larger part of the operation will be financed through the PforR instrument, which has proven to be an effective mechanism for managing conditional grants and for strengthening institutions and systems. IPF will be used to fund a range of institution strengthening and capacity development interventions<sup>2</sup>, as well as operating and management cost for the Operation.

5. PAHP comprises three funding Windows. A PforR Window (Window-1) will fund housing-related investments. Funds will be released to PHATA (via the provincial Finance Department) based on the achievement of agreed results. Two IPF windows (Window-2 and Window-3) will support activities for institutional and systems strengthening and Program Management respectively. The IPF funds will be executed by PHATA and UU.

6. Activities through the IPF financing under Windows 2 and 3 are covered by this Stakeholder Engagement Plan (SEP). These will include: Type-1 technical assistance supporting preparation of the future investments; Type-2 supporting formulation of housing strategies, plans, programs, and regulatory reforms; and Type-3 strengthening client's capacity and systems. The WB Environmental and Social Framework (ESF) will apply to activities funded by the IPF Windows, specifically Standard-1 (Environmental Assessment), Standard-2 (Labor Management), and Standard-10 (Stakeholder Engagement). Per the ESF, the Borrower has prepared this SEP, and commitments under ESS-2 have been included in the Environment and Social Commitment Plan (ESCP). A comprehensive diagnostic

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<sup>1</sup> The Urban Unit was established in 2005 under the Planning and Development Department as the Implementing Agency for the Bank-funded Punjab Cities Governance Improvement Project. In 2012, it was transformed into an independent private sector company owned by GoPunjab.

<sup>2</sup> Lessons learned from other PforR programs suggest the need for budget predictability for capacity development and Annual Performance Assessments (APAs), which PforRs are unable to ensure. Moreover, the IPF modality offers greater discretion and flexibility in meeting specific development needs and will help the operation respond if any unforeseen requirements become critical to developing operational capacities and systems during implementation. The IPF modality also allows a closer working relationship between the provincial government and the World Bank, so that the Bank can better contribute its cross-regional experience and sectoral knowledge to inform the implementation of institution-strengthening interventions in Punjab.

of existing grievance redress systems of the main implementing agencies will be undertaken, following which strengthening and enhancement of existing mechanisms will be proposed. The environmental and social risk rating for the IPF Windows is **Moderate**.

7. Window-1 (PforR - US\$ 185 million) will provide funds to PHATA for provision of household connections to basic infrastructure and services for housing schemes and alternative low-cost housing solutions.

8. Window-1a will finance household connections to infrastructure and service networks for housing developments on private land (APHS schemes) or public land (JV and public schemes) in priority areas. PHATA will incentivize private sector investment in urban areas with acute housing needs, by financing infrastructure costs on eligible sites. In denser urban areas, the higher value of land makes affordable housing less viable and market-rate housing a more attractive investment. Meanwhile, lower-cost housing is more likely to be sited in more remote areas with fewer basic services and higher climate vulnerabilities. PHATA will help incentivize affordable housing construction in better-located areas by providing service connections, thus defraying costs of the developers and buyers, and reducing delays in construction. PHATA will also ensure that affordable housing is sustainable in the long term by situating it away from areas at a high risk of climate shocks such as floods, and by taking measures to mitigate potential risks like improving drainage to prevent flooding, constructing storm resistant structures, and including heat-resistant materials in construction. In exchange for the infrastructure investments supported by the Operation, developers will need to provide a higher percentage of affordable housing units within the scheme as described in the APHS rules and JV contracts.

9. Under Window-1b, PHATA will use funds to provide Core Housing units and alternative low-cost, green housing solutions on public land (public schemes). Housing supply by PHATA will target the underserved groups who cannot afford fully finished units under Tiers 0-3 under the APHS and JV schemes. PHATA-built units will provide beneficiaries the opportunity to expand the structure over time, rather than acquiring a more expensive fully finished unit upfront. Further cost savings will be achieved through more compact site plans, narrower pedestrian-oriented lanes, smaller plot sizes, row houses, use of local building materials, and/or adoption of streamlined construction techniques such as pre-cast panels, modular construction etc. PHATA will use alternative housing modalities for demonstration purposes to encourage the private sector to adopt innovative designs, materials, and techniques including use of climate responsive designs and resilient materials, which will ensure long-term sustainability and lifetime cost savings. Funds for Window-1b will be disbursed to PHATA against similar results achievements as Window-1a, and with the same location criteria.

10. Window-2 (IPF - \$ 8 million), will assist GoPunjab develop its housing sector policy, strategy, and programs and strengthen its institutions and systems for enabling the housing market. It will support the following activities:

- a) **Development of evidence-based Housing Strategies and Programs** in a participatory manner with strong citizen engagement. It will also support a comprehensive Housing Market Assessment to provide the requisite evidence-base to GoPunjab for policy formulation, which will build upon the Rapid Housing Market Assessment undertaken during PAHP preparation. It will identify critical bottlenecks in the housing value chain; map institutional mandates in the housing eco-system; and recommend administrative, institutional, and regulatory reforms to enable the market to deliver diversified affordable housing solutions.
- b) **Development of a Housing Market Information System (HMIS)** to serve as the platform to enable evidence-based planning, decision-making, and monitoring of the housing programs and housing market performance in Punjab. UU has begun developing a basic HMIS, utilizing existing databases and the information being gathered through the Rapid Housing Market Assessment. The HMIS will have a modular capability for addition of a geospatial climate risk

database at a later stage, which will enable climate sensitive land use planning and infrastructure development. Existing district disaster risk assessments such as Multi-Hazard Vulnerability Risk Assessments (MHVRA) will be incorporated where possible.

- c) **Operationalization of recent regulatory reforms and systems** to support implementation of NPHP in Punjab.
- d) **Design and operationalization of infrastructure and alternative housing options.** This will include establishing, inter alia: i) the eligibility criteria and prioritization methodology for allocation for program-funded infrastructure investments; ii) template for scheme sponsor to apply for infrastructure benefit support; iii) Standard Operation Procedures for implementation of Infrastructure investments; and iv) the development of tenure options, prototype designs, their costing, and financing modalities for public schemes.
- e) **Deepening of reform agenda to enable the housing market.** This will include enhancing the legal underpinnings needed to enable the housing market, with a focus on incentivizing more private investment in affordable housing. These reforms will likely include improving, finalizing, and enacting the Condominium Act, developing and enacting the Real Estate Regulatory Act, and update of land use and zoning regulations. In view of the increasing climate risk vulnerability of Punjab, this will also include integrating climate risk considerations and measures to mitigate emissions in updated land use and zoning regulations, and resilient housing construction requirements in building standards. Sections of land use and zoning regulations related to environmentally and ecologically sensitive areas will not be changed.

**11. Window-3 (IPF - US\$ 7 million) will provide program management funds to UU and PHATA.**

This will include: (a) requisite staffing for program implementation; (b) fiduciary systems covering audited financial statements and procurement processes; (c) E&S instruments and processes; (d) Monitoring and Evaluation (M&E) systems for *ex post* verification of occupancy, quality of self-construction, etc.; and (e) grievance redress mechanisms. The window will also fund a third-party Annual Performance Assessment for the Disbursement-Linked Results (DLRs).

## **1.2 Institutional Arrangements**

12. The proposed Operation will be implemented through institutional arrangements whereby the Housing and Urban Development Department (HUDD-parent department of PHATA), with the assistance from the Urban Unit (UU), will have overall responsibility for the Program. UU<sup>3</sup> will house the requisite technical specialists and systems for overall Program management, coordination, and reporting, monitoring, and evaluation (RME). It will provide technical and capacity building support to PHATA to achieve sub-program results; implement institution-strengthening interventions including procurement of consultancies for development and operationalizing requisite systems for transparency and accountability. It will also communicate consolidated information to HUDD on the progress of activities per M&E requirements and assist with day-to-day coordination of the Program. It will assist HUDD in administering the APA process by recruiting and managing a private Independent Verification Agent (IVA). The Program will be administered per the Operations Manual (OM), which will be developed and adopted within one month after Effectiveness.

13. A Program Steering Committee (PSC) will be set-up to provide strategic leadership and policy guidance to the Program. The PSC will be chaired by the Chairman P&D. Members will include Secretaries of HUD, Finance, and P&D departments, CEO UU, and DG PHATA. Other stakeholders from the federal government and private sector will be coopted or invited as needed. The PSC will also be responsible for reviewing progress reports, endorsing IVA reports, and addressing any cross-cutting implementation challenges.

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<sup>3</sup> The Urban Unit (the Urban Sector Planning and Management Services Unit Pvt. Ltd.) was established in 2005 under the Planning and Development Department as the Implementing Agency for the Bank-funded Punjab Cities Governance Improvement Project.. In 2012, it was transformed into an independent company registered with the Securities and Exchange Commission and fully owned by Government of the Punjab..

14. A Program Management Committee (PMC) will steer overall implementation and regularly meet to ensure that progress is on track towards meeting the PDO. It will include CEO UU, DG PHATA, and a representative of HUDD. The Program will be implemented through a dedicated Program Management and Implementation Unit (PMIU) housed in the UU, with a dedicated Program Lead supported by a Project Director each for the PforR and IPF Windows, Senior Specialists, and staff. The PMIU will be responsible for technical, fiduciary, and safeguards management, implementation oversight, and RME. The Program Lead will also serve as the Secretary to PSC.

15. PHATA will lead implementation of the capital investment sub-programs under the PforR Window in coordination with the private sector, water and sanitation agencies, development authorities, or local governments as appropriate. PHATA<sup>4</sup> will be responsible for achievement of sub-program results by ensuring adherence to work plans of schemes under execution, quality assurance, and submission of progress and completion reports to HUDD and the UU.

16. UU will lead implementation of the IPF Windows and provide support to HUDD and PHATA in developing housing policy and strategy, undertake regulatory reforms, and develop systems and procedures. Requisite capacities and systems developed under Window-2 will be absorbed in PHATA over time to ensure sustainability of interventions.

17. Monitoring and reporting will be undertaken by UU and PHATA. They will coordinate the collection of M&E data and implementation status updates of the two sub-programs including from developers. PHATA and UU will prepare progress reports twice a year (a midyear and an annual report) containing agreed data and submit to HUDD and the Bank. Annual reports will be disseminated on PHATA website.

18. An independent annual assessment and the verification of results will trigger disbursements. UU will assist HUDD to engage the IVA to carry out APAs, which will provide the basis for annual disbursement of Program funds to PHATA. To ensure transparency, APA results will be shared simultaneously with the Bank and GoPunjab's Steering Committee. The PSC will verify and endorse APA results and notify the Bank. The Bank will undertake quality assurance of APA results and will make the final decision on whether a DLI has been achieved. The APA cycle will be synchronized with the government's budgeting cycle to ensure that allocations are reflected in provincial and PHATA budgets.

### 1.3 Objectives of the SEP

19. Under World Bank-financed projects, **a SEP and a project-level Grievance Redress Mechanism (GRM) need to be developed in accordance with ESS 10 (Stakeholder Engagement and Information Disclosure) of the World Bank's Environmental and Social Framework (ESF) and any corresponding national legislation.** ESS 10 requires that Borrowers engage with stakeholders throughout the project life cycle, commencing such engagement as early as possible in the project development process and in a timeframe that enables meaningful consultations with stakeholders on project design. The nature, scope, and frequency of stakeholder engagement have to be proportionate to the nature and scale of the project and its potential risks and impacts.

20. The overall objective of this SEP is to define a program for stakeholder engagement, including public information disclosure and consultation throughout the project. **The SEP outlines the ways in which the project team will communicate with stakeholders and includes a mechanism by which**

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<sup>4</sup> PHATA has a long experience in provision of sites and services schemes. Post-NPHP launching, it has initiated projects providing built housing units albeit of a larger size and higher costs. PAHP will support development of the next generation of schemes that will adopt appropriate but flexible infrastructure standards, optimize site planning to allow for mixed-income cross-subsidization, and introduce core units to make them more affordable to Tier-1 beneficiaries, that can be expanded over time.

**people can raise concerns, provide feedback, or make complaints about the project and any activities related to the project.** The involvement of the local population is essential to the success of the Project in order to ensure smooth collaboration between Project staff and local communities and to minimize and mitigate environmental and social risks related to Project activities. This SEP will cover PAHP's IPF Windows.

## **II. Brief Summary of Previous Stakeholder Engagement Activities**

21. The **Urban Unit's** previous experience with the World Bank and other donors includes the Punjab Cities Governance Improvement Project (World Bank), Punjab Spatial Strategy (World Bank), Punjab Intermediate Cities Investment Improvement Program (Program Preparatory Technical Assistance - PPTA Phase, ADB), Strategic Environmental Assessment of Punjab Spatial Strategy, Development of Environmental Datasets in Space Technology Application in Socioeconomic Development Program, and Environmental Monitoring of Sewerage Treatment Plant in Gilgit. Moreover, its Environment and Social Safeguards section strives to achieve programmatic goals by sharing information with stakeholders at every stage to enhance the stakeholder consultation experience and ensure two-way stakeholder communication. The team engages with individuals and the community at large via its active presence on social media, websites, print and electronic media, and through a diverse range of publications, IEC material, brochures, booklets, trainings, seminars workshops, media campaigns, and other promotional activities.

22. **HUDD** is an administrative department with development authorities (DAs) and water and sanitation agencies (WASAs) reporting to it. There is no documented stakeholder engagement as such, however meetings and stakeholder consultations do take place when identifying feasibility of projects. Along with other departments, HUDD is engaged in identifying relevant projects and preparing the relevant project documents. It has experience of working with JICA and ADB.

23. **PHATA** has previously not worked with any donor-financed project and does not have a record of stakeholder engagement. PHATA develops its own site and services schemes for the general public without any coordination/engagement or any JV. Hence PHATA previously has no working relationship with any donor organization on projects that it has implemented, except with consulting or contracting firms which are hired through competitive bidding process. Thus there is no record available for prior stakeholder engagement activities. Stakeholder engagement done during TA preparation has been documented in Section 4.1 below.

## **III. Stakeholder Identification and Analysis**

24. In order to have a meaningful and substantive engagement, it is necessary to determine who the stakeholders are and understand their needs and expectations for engagement, as well as their priorities and objectives in relation to the Project. This information will then be used to tailor engagement to each type of stakeholder. As part of this process it is particularly important to understand how each stakeholder may be affected – or perceives they may be affected – so that engagement can be modified accordingly.

25. Project stakeholders are defined as individuals, groups or other entities who:

- a) are impacted or likely to be impacted directly or indirectly, positively or adversely, by the Project (also known as 'affected parties'); and
- b) may have an interest in the Project ('interested parties'). They include individuals or groups whose interests may be affected by the Project and who have the potential to influence the Project outcomes in any way.

26. Cooperation and negotiation with the stakeholders throughout the Project development often requires identification of persons within the groups who act as legitimate representatives of their respective stakeholder group, i.e. the individuals who have been entrusted by their fellow group

members with advocating the groups' interests in the process of engagement with the Project. Community representatives may provide helpful insight into the local settings and act as main conduits for dissemination of the Project-related information and as a primary communication/liason link between the Project and targeted communities and their established networks.

27. The Project intends to utilize various methods of engagement that will be used as part of its continuous interaction with Project stakeholders. For the engagement process to be effective and meaningful, a range of various techniques need to be applied that are specifically tailored to the identified stakeholder groups. In accordance with best practice approaches, the Project will apply the following principles for stakeholder engagement:

- **Openness and life-cycle approach:** public consultations for the Project will be arranged during the whole life-cycle, carried out in an open manner, free of external manipulation, interference, coercion or intimidation;
- **Informed participation and feedback:** information will be provided to and widely distributed among all stakeholders in an appropriate format; opportunities are provided for communicating stakeholders' feedback, for analyzing and addressing comments and concerns;
- **Inclusiveness and sensitivity:** stakeholder identification is undertaken to support better communication and build effective relationships. The participation process for the Project is inclusive. All stakeholders at all times are encouraged to be involved in the consultation process. Equal access to information is provided to all stakeholders. Sensitivity to stakeholders' needs is the key principle underlying the selection of engagement methods. Special attention is given to vulnerable groups, in particular women, internally displaced persons (IDPs), returnees, drug addicts, persons with disabilities, youth, elderly and the cultural sensitivities of diverse ethnic and religious minority groups and those living in remote or inaccessible areas.

28. The three categories of stakeholders as per the ESS 10 are outlined below:

- a) **Affected Parties** – persons, groups and other entities within the Project Area of Influence (PAI) that are directly influenced (actually or potentially) by the Project and/or have been identified as most susceptible to change associated with the Project, and who need to be closely engaged in identifying impacts and their significance, as well as in decision-making on mitigation and management measures;
- b) **Other Interested Parties** – individuals/groups/entities that may not experience direct impacts from the Project but who consider or perceive their interests as being affected by the Project and/or who could affect the Project and the process of its implementation in some way; and
- c) **Vulnerable Groups** – persons who may be disproportionately impacted or further disadvantaged by the Project as compared with any other groups due to their vulnerable status<sup>5</sup> and that may require special engagement efforts to ensure their equal representation in the consultation and decision-making process associated with the Project.

29. The stakeholders within these three categories will be refined and targeted lists will emerge when the TORs for the TA outputs are developed.

### 3.1 Affected Parties

30. ESS 10 refers to Identifying individuals, groups, and other parties that may be directly or indirectly affected by the Project, positively or negatively. Affected Parties include local communities, community members and other parties that may be subject to direct impacts from the Project. The SEP focuses particularly on those directly affected, positively or adversely by the Project activities.

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<sup>5</sup>Vulnerable status may stem from an individual's or group's race, national, ethnic or social origin, color, gender, language, religion, political or other opinion, property, age, culture, literacy, sickness, physical or mental disability, poverty or economic disadvantage, and dependence on unique natural resources.

At this time, the following have been identified as directly affected parties under this category, and these will be further confirmed as the TA outputs are fleshed out during program implementation:

- a. First time home buyers<sup>6</sup>
- b. Private Developers
- c. Service providers
- d. Contractors
- e. Suppliers
- f. Akhuwat Foundation<sup>7</sup>

### 3.2 Other Interested Parties

31. There may be broader stakeholders who may be interested in the Project because it indirectly affects their work or has some bearing on it. As elucidated in the ESS10, while these groups may not be directly affected by the Project, they may have a role in the Project preparation or have a broader concern including for, but not limited to, information dissemination, awareness raising, community mobilization, and feedback. Interested parties under this category may be identified as:

- a. Punjab Board of Investment & Trade (PBIT)
- b. P&DD, Punjab
- c. Development Authorities
- d. Water and Sanitation Agencies
- e. Directorate of Katchi Abadis (DGKA)
- f. Local Government and Community Development Department (LG&CDD)
- g. Bank of Punjab/Commercial banks
- h. State Bank of Pakistan
- i. Distribution Companies
- j. Environment Protection Department
- k. Fire Department
- l. Labor Department
- m. Private Sector Construction Companies
- n. Microfinance banks/institution
- o. Governmental and non-governmental organizations involved in the low-income housing
- p. National Database and Registration Authority (NADRA)
- q. Naya Pakistan Housing and Development Authority (NAPHDA)

32. The list of interested parties will be further refined and a more targeted list will emerge once the TORs for the TA outputs are developed. The SEP process will include conducting consultations with representatives of each of these groups and defining a strategy for continual engagement with each of them throughout the Project life.

### 3.3 Disadvantaged / Vulnerable Individuals or Groups

33. It is particularly important to understand whether Project impacts may disproportionately fall on disadvantaged or vulnerable individuals or groups, who often do not have a voice to express their concerns or understand the impact of a Project. In the case of the TA outputs, it would be critical to ensure that awareness raising, and stakeholder engagement takes place with relevant disadvantaged or vulnerable individuals or groups to take into account their views on housing affordability and the barriers they face in home ownership. The vulnerability may stem from person's origin, gender, age, health condition, literacy levels, economic deficiency and financial insecurity,

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<sup>6</sup> GoPunjab will also leverage the federal mortgage interest rate subsidies and upfront subsidies for eligible first-time homeowners in Punjab Therefore first time home buyers would be direct stakeholders in the Program.

<sup>7</sup> PHATA has signed an agreement with Akhuwat Foundation (an NGO) to assist in underwriting applicant households earning below Rs. 100,000 per month for its sites and services schemes. Akhuwat acts as an intermediary to provide interest-free loans.

disadvantaged status in the community (e.g., religious and ethnic minorities or fringe groups), dependence on other individuals or natural resources, especially those living in remote, insecure or inaccessible areas, etc. Engagement with the vulnerable groups and individuals often requires the application of specific measures and assistance aimed at the facilitation of their participation in the Project-related decision making so that their awareness of and input to the overall process are commensurate to those of the other stakeholders.

34. For the TA component, the vulnerable or disadvantaged groups (based on a poverty and voice perspective) may include, but are not limited to the following:

- a. Differently abled citizens
- b. Elderly-headed households
- c. Female-headed households
- d. Religious and ethnic minorities
- e. Transgender people
- f. Widows
- g. Residents of residents of informal settlements (katchi abadis)
- h. Some of the organizations representing the groups listed above include NOWPDP<sup>8</sup>, STEP<sup>9</sup>, Akhuwat etc.

35. The stakeholders listed are usually amongst the lowest income groups (widows, FHH, KA residents, also people with disabilities) and likely to face difficulties accessing housing finance. Hence, they can offer insights on barriers and bottlenecks to affordable housing. Consultations with them can inform the relevant TA instruments, such as the proposed Comprehensive Housing Policy, Strategy, and Programs, which are aimed at proposing affordable housing solutions.

36. Vulnerable groups within the communities affected by the Project will be further confirmed and consulted through dedicated means, as appropriate. A description of the methods of engagement that will be undertaken by the Project is provided in the following sections.

### 3.4 Summary of Project Stakeholder Needs

37. A detailed stakeholder mapping of the three categories of stakeholders- Affected, Interested and Disadvantaged/Vulnerable Groups has been undertaken and will be used to guide the initial consultations during program implementation. However, given the COVID-19 pandemic context, physical distancing requirements will be in place and appropriate adjustments will be made to the mode used for conducting consultations in accordance with GoPb COVID-19 SOPs. Virtual consultations will be held using WebEx, telephone calls, SMS and emails. The SEP includes methods to involve citizens voices and feedback into the TA implementation and suggests differentiated measures of engagement.

38. The approach for the stakeholder engagement analysis will be underscored by two elements: (i) commitment to participatory methods; and (ii) flexible responsive methods. In general, engagement is directly proportional to the impact and influence of a stakeholders. As the extent of impact of a Project on a stakeholder group increases, or the extent of influence of a particular stakeholder on a Project increases, engagement with that particular stakeholder group should intensify and deepen in terms of the frequency and the intensity of the engagement method used.

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<sup>8</sup> Network of Organizations Working for People with Disabilities in Pakistan: Disability inclusion initiative which is focused on inclusion through empowerment

<sup>9</sup> Special Talent Exchange Program: A Cross Disability and Development organization. Conceived by people with disabilities in 1997.

## IV. Stakeholder Engagement Program

### 4.1 Purpose and timing of stakeholder engagement program

39. The stakeholder engagement program for the TA aims to: establish a systematic and inclusive approach to stakeholder engagement; build and maintain a constructive relationship with stakeholders; incorporate stakeholders' views and concerns into TA design/implementation; mitigate possible negative social and environmental downstream impacts of the TA; and enhance Project acceptance and socio-environmental sustainability. Stakeholder engagement for the IPF component may be divided into two phases:

40. **Phase-I (Project Preparation):** Since the TA component primarily focuses on capacity development of HUDD and PHATA, stakeholder engagement during this phase focused on representatives of PHATA and other provincial organizations. The purpose of stakeholder engagement during this phase was to: ascertain institutional needs; apprise GoPunjab institutions about planned activities/reforms; improve Project design; create synergies; and, enhance the socio-environmental sustainability of the TA component of the Project.

41. Between June 28 to July 13, 2021, the team carried out a virtual mission and engaged with the Minister of Housing and Urban Development; senior officials of the Planning and Development (P&DD) Department, the HUDD, the PHATA, and the Local Government and Community Development Department (LG&CDD) of GoPunjab; and the management and staff of the UU. A debriefing meeting was also held with the Senior Joint Secretary, Economic Affairs Division on 13 July 2021. The salient discussion points focused on:

- a) **Capacity Constraints.** The design and implementation of the Naya Pakistan Housing Program (NPHP) in Punjab, which PAHP is proposed to support, initially entrusted to PHATA was considered to be a significant challenge as its capacity constraints are a major concern to stakeholders. It was agreed that the Urban Unit be proposed as the key implementing agency for the TA window, to assist in developing capacity and systems for PHATA and HUDD.
- b) **Coordination among Agencies:** It was also agreed that while the Government has undertaken several initiatives to facilitate the housing market, coordination among them will be essential for NPHP's success e.g., between GoPunjab and the federal Naya Pakistan Housing and Development Authority (NaPHDA), and between LG&CDD and PHATA. Moreover, GoPunjab also needs to seek clarity on the extent and nature of NaPHDA support to Punjab for NPHP implementation.
- c) **Developer Feedback:** While developers were keenly interested in participating in NPHP, especially for Affordable Private Housing Schemes (APHS), increased communication and speedier approval processes are vital to scale-up. The APHS Rules need review and revision. Moreover, the finalization and approval of the draft Act for multi-storey developments needs to be expedited. This will help mitigate high land costs and urban sprawl.
- d) **Civil society/Multistakeholder Feedback:** A multistakeholder consultation was conducted on November 23, 2021 to better understand the environmental and social concerns of stakeholders. Participants inquired about the incentives private developers will have under the Operation to follow the E&S requirements, why land acquisition was not financed under the Operation, and made suggestions that Program documents should mention that the Government of Pakistan has ratified several core labor standards of the International Labor Organization, that capacity development activities in E&S issues and requirements should be held for contractors and that an Implementation Plan should be prepared. It was also suggested that a culturally appropriate GRM should be put in place so that all complaints are swiftly resolved in a manner that is understandable to the complainants. Awareness will be raised about the GRM through culturally appropriate communications channels. A question was posed to the participants as to how the implementation agencies could ensure that the poor and vulnerable benefit from the housing units to be financed under the Program. It was suggested that a mass communication effort should be launched under the Program so that

the eligible low income beneficiaries are first made aware of the 20% quota that the housing schemes have for them, and that they should be facilitated in arranging financing for their applications.

42. **Phase-II (Project Implementation):** Stakeholder engagement will be carried out during this phase with relevant groups and interested parties. Section 4.3 provides a list of topics for stakeholder engagement during this phase along with the corresponding tools and techniques for conducting them. These will be further refined during TA implementation.

#### 4.2 Proposed Strategy for Information Disclosure<sup>10</sup>

43. Based on consultations with the implementing agencies and following World Bank disclosure protocol, the following table provides an initial outline of the information to be disclosed at the preparation stage.

Project stage/ Components	Target stakeholders	List of information to be disclosed	Methods and timing proposed
<b>Preparation</b>	HUDD, PHATA, affected parties, interested groups, public at large, vulnerable groups, Punjab Government entities	Appraisal stage SEP Appraisal stage ESCP	<ul style="list-style-type: none"> <li>• Websites of HUDD and PHATA, before appraisal</li> <li>• One-on-one meetings, Consultation meetings</li> </ul>
<b>Implementation</b>	PHATA, and other relevant Government ministries	E&S principles and obligations, Consultation process/SEP, ESCP, Project information	<ul style="list-style-type: none"> <li>• Websites of HUDD and PHATA</li> <li>• One-on-one meetings</li> <li>• Consultation meetings</li> </ul>
	Local communities and Vulnerable groups (including minorities, women, people with disabilities)	Regular updates on Project activities and specific interventions for vulnerable groups (through PAHP), SEP and GRM procedures.	<ul style="list-style-type: none"> <li>• Outreach through local community organizations</li> <li>• Public notices</li> <li>• Press releases in the local media and on the Project website</li> <li>• Airing of key messages through programs on local FM radio, television, and text messages</li> <li>• Dissemination of information through social media</li> </ul>
	Other ministries and relevant public agencies	Project overview, Progress reports, SEP and GRM procedures.	<ul style="list-style-type: none"> <li>• Consultation meetings</li> <li>• Electronic publications</li> <li>Information leaflets and brochures</li> </ul>
	NGOs, , Academics, Organizations /philanthropies working on affordable housing	Scope of Project, social protection interventions, opportunities for collaboration, ESMP, updated SEP and GRM procedures.	<ul style="list-style-type: none"> <li>• Information Resource portal on Project website</li> <li>• Bi-Annual Project Dissemination Workshops</li> </ul>

<sup>10</sup> The proposed meetings will be held once social distancing measures are eased or SOPs are available.

Project stage/ Components	Target stakeholders	List of information to be disclosed	Methods and timing proposed
	First time Buyers	Relevant Project information related to the housing program, venues and protocols; updated SEP and GRM procedures.	<ul style="list-style-type: none"> <li>• SMS</li> <li>• Print media</li> <li>• Television</li> </ul>

44. For the implementation stage, detailed consultations will suggest the modes of communication and frequency of future engagements, suitable for each type of stakeholder.

#### 4.3 Proposed strategy for consultations

Stage	Topic of consultation / message	Method used	Target stakeholders	Responsibilities
Preparation	<ul style="list-style-type: none"> <li>• Need of the Project</li> <li>• Planned activities</li> <li>• E&amp;S principles, risk and impact, management</li> <li>• Grievance Redress mechanisms (GRM)</li> </ul>	<ul style="list-style-type: none"> <li>• Virtual meetings providing background information</li> <li>• Phone</li> <li>• Emails</li> <li>• Stakeholder mapping (CSOs, Private Sector, Vulnerable Groups)</li> <li>• Appropriate adjustments were made to take into account the need for social distancing (use of audio-visual materials, technologies such as telephone calls, SMS, emails, etc.)</li> </ul>	CSOs, Representatives of Vulnerable Groups, Vulnerable Groups	Urban Unit, PHATA with input from other implementing provincial departments and organizations
Implementation	<ul style="list-style-type: none"> <li>• Progress on TA activities/targets and outputs</li> <li>• Coordination among various agencies</li> <li>• Updated SEP &amp; its implementation</li> <li>• Environmental concerns Monitoring and Evaluation Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Project progress Reports</li> <li>• Emails, Meetings</li> <li>• Revision/Confirmation of Stakeholder mapping (CSOs, Private Sector, Vulnerable Groups)</li> <li>• Electronic publications as well as dissemination of hard copies</li> <li>• Information resource portal on the HUDD/PHATA website with provincial data pertaining to Project activities</li> </ul>	<ul style="list-style-type: none"> <li>• Private Sector</li> <li>• Potential home buyers, especially from lowest economic quintile</li> <li>• CSOs working on affordable housing</li> <li>• Vulnerable groups (widows, Female headed households, people with disabilities, low income HHs seeking</li> </ul>	Urban Unit is responsible for the implementation of the SEP with support from PHATA and HUDD

#### **4.4 Proposed Strategy to incorporate the view of vulnerable groups**

45. Consultations using FGD as a tool, will be carried out with representatives of disabled citizens, women, and minorities, and accordingly engagement mechanisms and frequencies, will be designed and customized for vulnerable people. This will continue throughout TA output completion. A few such representative bodies have been identified in the design phase, which will be further verified and validated in the inception (first six months) phase of the Project. These have been mentioned in section 3.3

#### **4.5 Timelines**

46. The frequency of stakeholder engagement will vary across the TA activities (quarterly, bi-annual or annual), depending on the nature/pace of TA activity design/implementation, its social and environmental risk and impact and its relevance to the stakeholders.

47. The Project will review its stakeholder engagement against the SEP bi-annually, and this review will be a part of the progress report that will be shared with the client management and the World Bank.

#### **4.6 Review of Comments**

All stakeholder engagement activities (FGDs, KIIs and consultations) will be recorded and transcribed, and made available to stakeholders as noted in Section 4.3. Comments provided by stakeholders will be collated and reviewed following each engagement activity. These comments will be analyzed and formulated into a report which will be shared with PHATA and the relevant Government Departments for further action.

#### **4.7 Future Phases of the Project**

48. Stakeholders will be kept informed as the TA outputs are prepared. The modes and frequency of reporting to stakeholders will be determined by the UU Team during the first quarter of Project implementation after conducting initial workshops/FGDs and KIIs with the stakeholders.

### **V. Resources and Responsibilities for implementing stakeholder engagement activities**

#### **5.1 Resources (estimated cost: USD\$20,000)**

49. Implementation of all ESF instruments including the SEP will be financed from the program budget. An estimated budget will be provided in an updated SEP at the start of program implementation. Based on prior experience in similar engagement and awareness campaigns undertaken by the GoP, the budget for the SEP is proposed to be approximately USD\$20,000. The detailed costs will be calculated once the activity plans for the TA components are developed.

#### **5.2 Management Functions and Responsibilities**

50. The Operation will be implemented through institutional arrangements whereby the HUDD, with the assistance from the UU, would have overall responsibility for the Program. UU will house the requisite technical specialists and systems and will implement the SEP. It will provide technical and capacity building support to PHATA to achieve sub-program results; implement institution-strengthening interventions including procurement of consultancies for development and operationalizing requisite systems for transparency and accountability. It will also communicate consolidated information to HUDD and FD on the progress of activities per M&E requirements via reporting dashboards set up at these agencies and assist with day-to-day coordination of the Program. The TA will be administered per the OM.

### **VI. Grievance Mechanism**

51. The main objective of a Grievance Redress Mechanism (GRM) is to assist to resolve complaints and grievances in a timely, effective and efficient manner that satisfies all parties

involved. Specifically, it provides a transparent and credible process for fair, effective and lasting outcomes. It also builds trust and cooperation as an integral component of broader community consultation that facilitates corrective actions. Specifically, the GRM:

- Provides affected people with avenues for making a complaint or resolving any dispute that may arise during the course of the implementation of the Project.
- Ensures that appropriate and mutually acceptable redress actions are identified and implemented to the satisfaction of complainants; and

52. Urban Unit, HUDD and PHATA do not have a dedicated grievance redress mechanism. The Prime Minister's Citizens Portal, Chief Minister's Complaint Cell, and the complaint mechanisms of the Revenue Department are the current complaint intake channels. It is not known whether other departments have dedicated staff to respond to complaints. Therefore, a comprehensive diagnostic of these systems will be undertaken during Project preparation, following which strengthening and enhancement of existing mechanisms will be proposed under the Project.

#### ***Grievance Records and Documentation***

53. The Urban Unit will nominate a GRM Focal Point to manage a grievance database to keep a record of all grievances received about the TA components. The database will contain the name of the individual or organization lodging a grievance; the date and nature of the grievance; any follow-up actions taken; the solutions and corrective actions implemented by PHATA other relevant party; the final result; and how and when this decision was communicated to the complainant.

#### ***Monitoring and Review***

54. It is critical to monitor the effectiveness of the comment response and, grievance mechanism. Appropriate measures/KPIs for this include monthly reporting on the number of grievances received, resolved and outstanding. This will be undertaken by the GRM focal point. As part of the annual review/report, analyzing the trends and time taken for grievance resolution will help to evaluate the efficacy of the comment response and, grievance mechanism. As part of stakeholder engagement and consultation, involving the views of the stakeholders for whom the Comment Response and, Grievance Mechanism is designed in this monitoring and review will help to improve effectiveness and stakeholder buy-in.

## **VII. Monitoring and Reporting**

### **7.1 Involvement of stakeholders in monitoring activities**

55. The Urban Unit will provide information required for monitoring and evaluation of the TA outputs to the overall Program M&E system based on the performance indicators for the Project.

### **7.2 Reporting back to stakeholder groups**

56. It is critical to follow-up with stakeholders at different stages of the Project cycle. Once consultations have taken place, stakeholders will want to know which of their suggestions will be used, what risk or impact mitigation measures will be put in place to address their concerns, and how, for example, Project impacts are being monitored.

57. Often the same methods used in information disclosure are applied to reporting back to stakeholders. This follow-up can include COVID-19 SOP compliant meetings/forums, brochures, and consultative committees. Given the current context and the need for social distancing, alternate means such as short message service (SMS), radio, television, social media handles, website of PHATA may also be employed to share updated information with stakeholders.

58. The SEP will be periodically revised and updated as necessary in the course of Project implementation in order to ensure that the information presented herein is consistent and is the most recent, and that the identified methods of engagement remain appropriate and effective in

relation to the Project context and specific phases of the development. Any major changes to the TA related activities and to its schedule will be duly reflected in the SEP. Monthly summaries and internal reports on public grievances, enquiries and related incidents, together with the status of implementation of associated actions will be collated by responsible staff and referred to the senior management of the Project. The monthly summaries will provide a mechanism for assessing both the number and the nature of complaints and requests for information, along with the Project's ability to address those in a timely and effective manner. Information on public engagement activities undertaken by the Project during the year may be conveyed to the stakeholders in two possible ways:

- Publication of a standalone annual report on Project's interaction with the stakeholders.
- A number of Key Performance Indicators (KPIs) will also be monitored by the Project on a regular basis. Based on the data collected regularly, these indicators are:
  - Number of consultation meetings (virtual) and other public discussions/forums conducted monthly, quarterly, and annually;
  - Frequency of public engagement activities;
  - Number of public grievances received (monthly, quarterly, and annually) and number of those resolved within the prescribed timeline.

### **Annex 1: List of Documents Consulted**

1. Template for ESS10: Stakeholder Engagement Plan for Projects in Response to COVID-19
2. Technical Note: Public Consultations and Stakeholder Engagement in WB-supported operations when there are constraints on conducting public meetings
3. The GRM Template available at <http://pubdocs.worldbank.org/en/909361530209278896/ESF-Template-ESS10-SEP-June-2018.pdf>
4. The GRM Checklist available at (<http://pubdocs.worldbank.org/en/354161530209334228/ESF-Checklist-ESS10-GRM-June-2018.pdf>)
5. Guidance Note on ESS10 for Borrowers available at: <http://pubdocs.worldbank.org/en/476161530217390609/ESF-GN10-June-2018.pdf>
6. Punjab Affordable Housing Program Concept and Scope -Note for TA Component
7. Punjab Affordable Housing Program Preparation Mission ML