

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. The engagement of the Asian Development Bank (ADB) in Pakistan's urban sector supports the Government of Pakistan's priorities of urban renewal, improved livelihoods, and economic growth. With urban development being decentralized at the provincial level, ADB increased its engagement with provincial governments and municipalities. In terms of its overall urban footprint, ADB maintains an ongoing engagement through the Sindh Cities Improvement Program. In two intermediate cities in Punjab, a similar model that also includes urban transport components is in an advanced stage of development. ADB also approved technical assistance (TA) for the province of Khyber Pakhtunkhwa to improve urban inclusiveness, sustainability, and resilience through the preparation of a sector road map for investment programming, and regional and city development plans. The TA is expected to develop into the Khyber Pakhtunkhwa Intermediate Cities Improvement Program in 2019.

2. ADB's initial engagement with urban transport in 2005–2008 consisted of TA to identify and prepare projects in the major cities of Karachi and Lahore. However, this did not lead to ADB projects, mainly due to institutional issues and an overall lack of political support and consensus. However, the two bus rapid transit (BRT) systems constructed in Lahore and Rawalpindi-Islamabad and the two BRT lines currently being prepared and implemented in Karachi (all government-financed) significantly expanded and built on preliminary inputs provided by ADB, the Cities Development Initiative for Asia (CDIA), and the Japan International Cooperation Agency (JICA) studies.

3. ADB revisited in the sector in 2013, building on the CDIA's pre-feasibility studies, which focused on improving the urban transport systems in Islamabad and Peshawar; and (ii) JICA's Urban Transport Master Plans for Lahore and Karachi. The latest included 6 BRT lines, one metro line, and the Karachi Circular Railway. ADB approved (i) a project preparatory TA for the Karachi BRT Red Line on 6 December 2013, and a subsequent project design advance (PDA) loan on 30 September 2016; and (ii) a project preparatory TA for the Peshawar Sustainable BRT Corridor Project on 15 December 2014, and a subsequent PDA loan on 23 November 2016. These interventions covered all aspects of project preparation, including the introduction of reforms in the provinces of Khyber Pakhtunkhwa and Sindh by establishing mass transit authorities and special purpose vehicles to manage BRT operations.

4. The United Nations Development Programme (UNDP) has also been active in urban transport through the Pakistan Sustainable Transport Project, funded by the Global Environment Facility, which mainly provides capacity building. In addition, the World Bank is undertaking a Karachi Diagnostic Study to plan reforms and investments for Pakistan's most populous city, and is processing the Karachi Neighborhood Improvement Program, which includes a feasibility study for a mass transit corridor. At the national level, ADB is currently providing TA funded by the Department for International Development (DFID) of the United Kingdom to develop a national transport policy and master plan (including the urban transport subsector), along with a road safety program. ADB has engaged with new development partners—including the Agence Française de Développement, European Investment Bank, Green Climate Fund, and Islamic Development Bank—who are expected to engage in urban transport and potentially cofinance the ADB BRT projects in Peshawar and Karachi. The selection of the ADB-funded BRT corridor in Karachi was coordinated with JICA, and the UNDP was consulted to undertake activities to complement ADB's project preparatory TA.

Major Development Partners

Development Partner	Project Name	Duration	Amount (\$ million)
Urban public transport, roads and traffic management, policies, and institutional development			
ADB	Preparing the Karachi Mega City Sustainable Development Investment Program (TA grant and TA loan)	2004–2008	13.50
	Preparing the Lahore Rapid Mass Transit System Project (TA grant and proposed TA loan for the Transaction Advisory Service)	2008	7.68
	Preparing the Karachi Red Line BRT Project (TA grant and PDA)	2013–2017	11.00
	Preparing the Peshawar BRT Corridor Project (TA grant and PDA)	2014–2017	11.50
	Enabling Economic Corridors Through Sustainable Transport Sector Development (DFID-funded TA grant, including the National Transport Policy and Master Plan)	2015–2020	15.41
JICA	Lahore Urban Transport Master Plan (TA grant)	2010–2012	N/D
	Karachi Transportation Improvement Project (TA grant)	2010–2012	N/D
UNDP	Pakistan Sustainable Transport Project (GEF-funded TA grant)	2012–2016	7.80
CDIA	Pre-Feasibility Study on Islamabad BRT Project	2012	0.38
	Peshawar Urban Transport Pre-Feasibility Study (TA grant)	2014–2015	0.44
Water and other urban infrastructure and services^a			
ADB	Khyber Pakhtunkhwa Provincial Strategy for Inclusive and Sustainable Urban Growth	2016–2019	2.45
DFID	Faisalabad Area Upgrading Project	2001	8.00
USAID	USAID Districts that Work (grant)		26.00
World Bank	Municipal Services Program (Khyber Pakhtunkhwa and Sindh)	2011–2018	122.80
	Karachi Neighborhood Improvement Program	2017–2020	86.00
	Punjab Municipal Services Improvement Project	2006	50.00
	Punjab Cities Governance Improvement Project	2012–2017	150.00
	Punjab Cities Program	2017–2021	200.00

ADB = Asian Development Bank, BRT = bus rapid transit, CDIA = Cities Development Initiative for Asia, DFID = Department for International Development, GEF = Global Environment Facility, JICA = Japan International Cooperation Agency, N/D = not disclosed, PDA = project design advance, TA = technical assistance, UNDP = United Nations Development Programme, USAID = United States Agency for International Development.

^a Most of the projects have a multi-subsector focus covering mainly urban water supply, sewerage, sanitation, and solid waste management, but also frequently including urban transport components.

Source: ADB.

B. Institutional Arrangements and Processes for Development Coordination

5. ADB is the convener for the Pakistan Heads of Agencies group, which functions as a forum for discussing overall development and donor coordination issues. There are also numerous sector coordination groups operating at the federal level covering energy, disaster risk, governance, gender, education, and health. After the 18th constitutional amendment was passed on 8 April 2010, many social sector subjects were delegated to the provinces; however, donor coordination efforts remain more concentrated at the federal level.

6. As Pakistan is both a federation and a populous country, it is necessary to address many issues at both the provincial or regional and local government or sub-regional levels. Urban development and transportation are not federal concerns. Although the Ministry of Climate Change once convened an environment group that also discussed urban development issues, this has been discontinued. A donor group comprising ADB, JICA, the World Bank, and the United States Agency for International Development, with the Water and Sanitation Program as secretariat, has now also been discontinued. Most coordination efforts at the provincial level

revolve around either a project or the formulation of a plan or strategy; for example, extensive discussions with development partners were held during the development of the Punjab Growth Strategy and Khyber Pakhtunkhwa Strategic Development Partnership Framework. In Khyber Pakhtunkhwa, a coordination mechanism led by the chief minister and heads of major development partners reviews project progress on a quarterly basis. Several project steering committees have also established at the provincial level.

7. The Peshawar Sustainable BRT Corridor Project is primarily intended to develop physical infrastructure to facilitate mobility, but the project will also play a significant role in urban renewal throughout the whole city. Therefore, it will work closely with all key provincial departments as well as the city government and key development partners. A steering committee responsible for oversight, coordination, and guidance has been established under the Khyber Pakhtunkhwa Urban Mobility Authority (KPUMA), whose members are drawn from relevant departments, the private sector, and local governments. The Provincial Additional Chief Secretary, who chairs other initiatives focusing on urban development in the province, is a KPUMA board member and will act as an anchor to coordinate among the departments and development partners.

8. ADB has kept all key development partners interested in the sector (including the Agence Française de Développement, the DFID, the European Investment Bank, the Islamic Development Bank, JICA, the UNDP, the United States Agency for International Development, and the World Bank) updated with regard to its urban development and transport portfolio throughout the development process, and maintains an active informal dialogue with them all.

C. Achievements and Issues

9. While coordination has been successfully practiced at the national level, coordination at the provincial level with regard to urban transport must be pursued. Few development partners have a permanent presence at the provincial level. The new Government of Khyber Pakhtunkhwa's initial lack of interest in infrastructure inspired few donors to remain engaged. However, urban infrastructure is now being prioritized, and donor relationships have been reestablished. Most of the donors contacted by ADB have indicated their willingness to cofinance the project, and ADB is working to enable others to join. In the future, it will be important for the provincial government to take the lead and ensure the participation of all stakeholders, including the development partners.

D. Summary and Recommendations

10. The project will build upon lessons learned from previous ADB and development partner interventions at the provincial level, including the importance of a complementary approach and multi-partner dialogue. ADB will continue working with the development partners already engaged in the sector, especially those who have indicated their intention to cofinance the project. A donor coordination unit under the KPUMA could be considered to institutionalize the dialogue on urban mobility in Khyber Pakhtunkhwa. ADB will reestablish dialogue with all donors with interest in the sector, and sustain it through ADB's Pakistan Resident Mission throughout project implementation.