



Pakistan: Central Asia Regional Economic Cooperation Corridor Development Investment Program

Project Name	Central Asia Regional Economic Cooperation Corridor Development Investment Program
Project Number	48404-002
Country	Pakistan
Project Status	Approved
Project Type / Modality of Assistance	Loan
Source of Funding / Amount	MFF Facility Concept 0101-PAK: MFF - Central Asia Regional Economic Cooperation Corridor Development Investment Program Ordinary capital resources US\$ 800.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration
Drivers of Change	Governance and capacity development
Sector / Subsector	Transport - Road transport (non-urban)
Gender Equity and Mainstreaming	No gender elements
Description	The proposed multitranche financing facility (MFF) will enhance regional connectivity and trade in the Central Asia Regional Economic Cooperation (CAREC) Corridors in Pakistan by improving the efficiency for road traffic along the CAREC Corridors. For the purpose, the proposed MFF will rehabilitate and upgrade the road network constituting the CAREC Corridors mainly in Sindh, Punjab, and Khyber Pakhtunkhwa.
Project Rationale and Linkage to Country/Regional Strategy	In 2011, Pakistan joined the CAREC Program. Pakistan's transport corridors offer the shortest route to the sea for landlocked Afghanistan, Central Asia, and Xinjiang province of the People's Republic of China (PRC). Pakistan's accession to the CAREC will enable subregions in Asia and Europe to be virtually integrated and seamlessly connected from East Asia through South Asia and Central Asia to Europe. In 2013, the CAREC Transport Corridors were extended to Pakistan to provide Afghanistan, Central Asia, and PRC with connection to Gwadar and Karachi port at the Arabian Sea. The CAREC Transport and Trade Facilitation Strategy 2020 endorsed by the CAREC ministers at the 12th Ministerial conference in 2013 proposes \$5.6 billion of investment projects to build the extended CAREC corridors in Pakistan. In the context of Afghanistan's exploiting markets in South and Southeast Asia for their agricultural products, PRC's exploring access to the Arabian Sea, and India's pursuing connection to Central Asia, all through Pakistan, completing the CAREC corridors and serving the needs of surrounding countries will benefit Pakistan not only for the growth of economy and trade but also for deepened regional integration and resultant stable geopolitics, and ultimately help achieve the vision of the CAREC. ADB's continuing engagement in Pakistan's pursuing the CAREC corridor development will speed up its achievement and enable the benefits of improved regional integration to be shared by surrounding countries.
Impact	Impact of the Program is aligned with: Regional connectivity and trade enhanced in the CAREC Corridors defined by project
Project Outcome	
Description of Outcome	Efficiency for road traffic along the CAREC Corridors improved
Progress Toward Outcome	
Implementation Progress	
Description of Project Outputs	Corridor along N55 constructed or rehabilitated NHA capacity strengthened
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	

Summary of Environmental and Social Aspects

Environmental Aspects	The 1st tranche project is classified category B for environment. An environmental assessment and review framework (EARF) and draft initial environmental examinations were prepared and disclosed on the ADB website. The project roads do not cross or are not located in the vicinity of protected areas. The environmental assessment established that the project can have site-specific environmental impacts related to air and water pollution, noise and vibration, loss of road-side trees, and traffic disruptions during construction. Additionally, due to construction of additional lanes, and increase in traffic during operation, the project can cause split communities and disruption of farming patterns. Adequate mitigation measures will be included in, and implemented through, an environmental management plan (EMP). The project design will incorporate measures for preserving community cohesion such as improved crossings (under- and overpasses) and access to public facilities. Public consultations were conducted from October to November 2016. Overall responsibility for the implementation of the EMP will rest with contractors. A construction supervision consultant will engage an environment specialists to ensure that the contractor is in compliance with his environmental obligations. NHA's project implementation unit will hire an environmental and social officer who will have an overall responsibility for the supervision of implementation of project's environmental safeguards.
Involuntary Resettlement	A land acquisition and resettlement framework for the MFF and draft land acquisition and resettlement plans for Petaro Sehwan Road section and Ratodero Shikarpur roads were prepared and disclosed on ADB website. Based on preliminary designs, Petaro Sehwan and Ratodero Shikarpur roads will require the acquisition of a total of 126.6 acres of agricultural land and 64.0 marla of residential and commercial land. Although most works will generally follow the available ROW limits, additional land will be needed to provide the required vertical and horizontal geometrical improvements certain sections and to build the 2.32 km bypass near Dakkan in Ratodero Shikarpur road. It is estimated that 548 persons will experience significant resettlement impacts, of which 412 persons will be physically displaced while 136 persons will lose 10% or more of their productive assets. For the rehabilitation of the 34 km Dara Adamkhel Peshawar road, no involuntary resettlement impact is anticipated as all works will be limited to the existing ROW and will not impact on any existing fixed structure within the ROW. The draft LARPs will be updated based on the detailed design. The 1st tranche project is categorized as A for involuntary resettlement and C for indigenous peoples safeguards.
Indigenous Peoples	No indigenous peoples are present in the project area, as defined by the Safeguard Policy Statement (2009). The project is classified category C for indigenous peoples.

Stakeholder Communication, Participation, and Consultation

During Project Design	The main stake holders of the project include public institution (Ministry of Communication, National Highway Department, Ministry of Trade and Commerce and local government departments with other law enforcing agencies like Motorways and Highways Police) and project beneficiaries including business community and traders, freight forwarders, transport operators as well as passengers and the local community having their assets landed and non landed in project corridor and affected persons.
During Project Implementation	Focus group discussions, workshops, community mobilization, in-depth interviews and consultations conducted for discussion on the environment and social safeguard issues, land acquisition and resettlement planning and implementation documentation, potential needs of the community and other social-related issues such as gender, HIV/AIDS, human trafficking, child labor etc.

Business Opportunities

Consulting Services	Consultants will be recruited in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time).
Procurement	Procurement of goods, civil works, and related services financed from the ADB loan will be done in accordance with ADB's Guidelines for Procurement (2015, as amended from time to time).

Responsible ADB Officer	Pyo, Dong-Soo
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Transport and Communications Division, CWRD
Executing Agencies	<i>National Highway Authority Room No. 110, 1st Floor, NC Building, Sector G-9/1 Islamabad, Pakistan</i>

Timetable

Concept Clearance	30 Jun 2015
Fact Finding	08 Jun 2017 to 16 Jun 2017
MRM	26 Jul 2017
Approval	26 Sep 2017
Last Review Mission	-

MFF Facility Concept 0101-PAK

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	925.00	Cumulative Contract Awards			
ADB	800.00	-	0.00	0.00	%
Counterpart	125.00	Cumulative Disbursements			
Cofinancing	0.00	-	0.00	0.00	%

Project Page <https://www.adb.org/projects/48404-002/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=48404-002>

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