



Pakistan: Central Asia Regional Economic Cooperation Corridor Development Investment Program-Tranche 2

Project Name	Central Asia Regional Economic Cooperation Corridor Development Investment Program-Tranche 2	
Project Number	48404-004	
Country	Pakistan	
Project Status	Proposed	
Project Type / Modality of Assistance	Loan	
Source of Funding / Amount	Loan: Central Asia Regional Economic Cooperation Corridor Development Investment Program-Tranche 2	
	Ordinary capital resources	US\$ 252.41 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Governance and capacity development	
Sector / Subsector	Transport - Road transport (non-urban) - Transport policies and institutional development	
Gender Equity and Mainstreaming	Some gender elements	
Description	Tranche 2 is aligned with the overall design of the MFF with the impact of regional connectivity and trade in the CAREC corridors enhanced, and will have the following outcome and the outcome of efficiency for road traffic along the CAREC corridors improved. Tranche 2 will deliver the two outputs: (i) to dualize the 222-km Shikarpur-Rajanpur section of N55 on the existing alignment to make the section a four-lane carriageway; and (ii) to help NHA to implement its upcoming training program for 5 years (2021-2025).	
Project Rationale and Linkage to Country/Regional Strategy	<p>Located at the crossroads of Afghanistan, Central Asia, the People's Republic of China (PRC), India, and Iran, Pakistan has huge potential to become a regional transport and trade hub. It can maximize its national capabilities and resources to support trade-based economic growth mainly by playing the role of a transit trade hub. However, transit trade through Pakistan is still limited and trade remains maritime-centric, mainly due to poor transport and border cross-point infrastructure and costly transport and cross-border services. Potentials of the country for further economic growth has not been fully performed.</p> <p>ADB approved the Central Asia Regional Economic Cooperation (CAREC) Corridor Investment Program in 2017 to strengthen the capacity of N55, known as 'Indus Highway,' which is along CAREC Corridors 5 and 6 and performs as one key international corridor in Asia linking the PRC, Afghanistan and their neighboring Central Asian countries to the Arabian Sea. The investment program has remained in line with CAREC Transport and Trade Facilitation Strategy 2020 and the CAREC Transport Strategy 2030.</p> <p>Following the direction of the investment program, Tranche 2 is to dualize the 222-km Shikarpur-Rajanpur section of N55, which traverse the Sindh and Punjab province, particularly areas with potentials of industrial and agricultural development. This dualization would boost local economies by making use of such existing potentials while promoting intra-/interregional trades of goods and movement of peoples. At completion, the sections will be equipped with bus shelters, trauma centers and rest spaces as well as road safety facilities to ensure comforts and safety of road users. In addition to this, the tranche will help NHA to strengthen the capacity of operating its road sector operation and management. These two activities under the tranche will contribute to the enhancement of the road sector on both physical and institutional capacities. The tranche is included in the Country Business Operations Plan for 2020-2022.</p>	
Impact	Regional connectivity and trade enhanced via the CAREC Corridors	
Outcome	Efficiency for road traffic along the CAREC Corridors improved	
Outputs	CAREC Corridor along N55 constructed or rehabilitated NHA capacity strengthened	
Geographical Location		
Safeguard Categories		
Environment		B
Involuntary Resettlement		A
Indigenous Peoples		C
Summary of Environmental and Social Aspects		
Environmental Aspects	Tranche 2 was classified category B for environment. The draft initial environmental examination (IEE) was prepared and disclosed on the ADB website. The project roads do not cross or are not located near protected areas. Necessary assessments on environmental impacts were carried out during the preparation of the draft IEE. Prior to commencement of civil works, the environmental management plans (EMP) will be prepared by the contractors under supervision by the construction supervision consultant.	
Involuntary Resettlement	Tranche 2 was classified category A for involuntary resettlement. The draft land acquisition and resettlement plans (LARPs) were prepared and were disclosed on ADB website. The planned civil works under the tranche will affect 788.8 acres. 1,961 households will face loss of their assets including titled land and assets established within the encroached ROWs limits, and 987 displaced households (12 in land loss category and 975 facing loss of their commercial assets established in the ROW) will face 10% or more loss of their productive assets (land and commercial assets).	
Indigenous Peoples	The project road sections traverses through settled areas of Sindh and Punjab provinces and tribal group with secluded cultural, socioeconomic, and administrative institutions different than mainstream population were not identified.	
Stakeholder Communication, Participation, and Consultation		

During Project Design	Multiple rounds of public consultations were held by NHA during project preparation in close coordination with the relevant local authorities and government departments and the project's stakeholders. Particular sessions were held with potentially affected persons including poor and vulnerable households in 2018-2019. Consultation, participation and information disclosure strategy were designed and incorporated in the draft LARPs for continued consultation process with potential affected persons and communities and other stakeholders, including poor and vulnerable people.
During Project Implementation	The project safeguard team in the project implementation unit of NHA, assisted by resettlement specialists under the construction supervision consultants, will liaise with local communities and civil society organizations for the consultation, participation, and information disclosure on project design and progress of implementation of the LARPs, recording and redress of grievances, monitoring and execution of project works and so on. Grievance redress mechanism will be set up.

Business Opportunities

Consulting Services	An international construction supervision consultancy team will be engaged under the project. The team will help the project executing agency to supervise civil works for the entire project section.
Procurement	Under the project, there are four civil works contract packages expected: (i) Shikarpur-Kandh Kot (62.42 km); (ii) Kandh Kot-Kashmore (58.78 km); (iii) Kashmore-Rojhan (48.90 km); and (iv) Rojhan-Rajanpur (51.85 km).

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

Timetable

Concept Clearance	-
Fact Finding	-
MRM	25 Aug 2020
Approval	-
Last Review Mission	-
Last PDS Update	07 Aug 2020

Project Page	https://www.adb.org/projects/48404-004/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=48404-004
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