



## Pakistan: Punjab Intermediate Cities Improvement Investment Project

Project Name	Punjab Intermediate Cities Improvement Investment Project				
Project Number	46526-007				
Country	Pakistan				
Project Status	Approved				
Project Type / Modality of Assistance	Loan				
Source of Funding / Amount	<table border="1"> <tr> <td colspan="2"><b>Loan 3562-PAK: Punjab Intermediate Cities Improvement Investment Project</b></td> </tr> <tr> <td>Ordinary capital resources</td> <td>US\$ 200.00 million</td> </tr> </table>	<b>Loan 3562-PAK: Punjab Intermediate Cities Improvement Investment Project</b>		Ordinary capital resources	US\$ 200.00 million
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Strategic Agendas	Environmentally sustainable growth Inclusive economic growth				
Drivers of Change	Governance and capacity development				
Sector / Subsector	<b>Water and other urban infrastructure and services</b> - Other urban services - Urban flood protection - Urban policy, institutional and capacity development - Urban sewerage - Urban water supply				
Gender Equity and Mainstreaming	Effective gender mainstreaming				
Description	The project will improve the quality of life of the residents in the two intermediate cities of Sahiwal and Sialkot in Punjab Province, making these cities more livable and sustainable. This will be achieved by improving urban infrastructure and services, and operations and maintenance capacity for urban service delivery.				
Project Rationale and Linkage to Country/Regional Strategy	The Government of Pakistan has realized the importance of making its cities, particularly the intermediate cities, more livable and has put the urban sector at the forefront of its national development strategy. Pakistan's Vision 2030 and Framework for Economic Growth envisage livable cities as engines of national growth and centers of economic activity, culture, and knowledge. The Framework recognized the advantage of the local governments in managing the urban development on the ground, as they are closer to the beneficiary population with an informational advantage in identifying citizens' preferences, as well as essential flexibilities to respond rapidly to evolving city's needs. Under these circumstances, the government amended its constitution to decentralize the role of urban services to the provincial governments. The project will support the two city governments of Sahiwal and Sialkot to improve key urban services delivery.				
Impact	Living standards, health, and economy in Sialkot and Sahiwal improved.				

### Project Outcome

Description of Outcome	Access to quality urban services by the residents of Sialkot and Sahiwal cities.
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Progress Toward Outcome

### Implementation Progress

Description of Project Outputs	Water supply systems improved Sanitation systems improved Urban public spaces improved Institutional support and capacity development
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Status of Implementation Progress (Outputs, Activities, and Issues)

Geographical Location

### Safeguard Categories

Environment	B
Involuntary Resettlement	A
Indigenous Peoples	C

### Summary of Environmental and Social Aspects

Environmental Aspects	Environment (category B). Impacts from the project are mostly related to the construction and rehabilitation of the trunk mains, distribution centers, and distribution networks; and are expected to be short-term and limited. These include dust, noise, vibration, labor and public safety issues, temporary blockage of household access, traffic disturbance, production and transportation of construction materials, and disposal of hazardous construction waste. Environmental impacts during the operation phase may include lowering of the groundwater table, disposal of WWTP sludge, accidental leakage from chlorination, noise from the WWTP and pumping stations, and increase in wastewater production. Mitigation measures to address all construction and operational impacts have been included in the environmental management plans prepared as part of the initial environmental examinations. The initial environmental examinations were disclosed on the ADB website on 7 April 2017. The PMU in the LG&CD Department will be responsible for implementation of the environmental management plan. A grievance redress mechanism to handle safeguard issues will be established after project effectiveness.
Involuntary Resettlement	Involuntary resettlement (category A). For output 1, the due diligence report shows that limited involuntary resettlement impacts are expected since project imprints are largely within the right-of-way. Impacts will be reassessed based on detailed designs and additional land acquisition and resettlement plans (LARPs) will be prepared as needed. For output 2, a LARP has been prepared and disclosed for Sahiwal WWTP and its conveyance system. Land acquisition for the WWTP and conveyance system will affect about 23 landowners who will lose about 5.6 hectares of arable land, about 50 mobile vendors, and 143 displaced persons operating commercial structures. Additional assessments may be required for some components under this subproject based on detailed designs. For output 3, the due diligence report shows that limited involuntary resettlement impacts are expected for parks and greenbelts, but impacts will be reassessed based on detailed designs and LARPs will be developed as needed. Output 4 has no involuntary resettlement impacts. All draft LARPs will be updated based on detailed designs, approved by ADB, and disclosed before implementation. A land acquisition and resettlement framework has been prepared and disclosed to guide the planning and implementation of social safeguards, as additional assessment may be required. Institutional capacity building will be provided to support the Punjab PMU and two CIUs in safeguards implementation through the project management consultant. A notice to proceed will not be given to contractors until LARPs have been implemented for each subproject.
Indigenous Peoples	Indigenous peoples (category C). No communities of indigenous peoples are in the project area, as defined in ADB's Safeguard Policy Statement (2009) for operational purposes. Accordingly, no indigenous peoples planning documents are required.

### Stakeholder Communication, Participation, and Consultation

During Project Design	ADB will continue dialogue with relevant stakeholders to ensure the strong relevance of the project design.
During Project Implementation	Further consultations are identified and will continue during project implementation to include program communication activities with youth groups, schools and civil society to promote awareness of project and life skills education.

### Business Opportunities

Consulting Services	All consultants will be recruited according to ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). Consultants support will be provided under the project to the executing agency and Project Management Unit (PMU). This support will include project management, financial management, procurement, contract administration, safeguards implementation, and monitoring and evaluation. Two consulting firms will be engaged to provide specialist technical support in the technical design and engineering aspects of solid waste management, procurement of civil works and goods contracts, and construction monitoring and supervision. In addition to the PMU consultants, four consulting firms will be recruited for the following subprojects (i) operational design and business model, (ii) audit and finance, and performance monitoring, (iii) technical support studies and Integrated City Development Strategy implementation, and (iv) operation and maintenance of Sahiwal Sewerage Treatment Plant. The project also provides technical support, through a firm, on the capacity building for the design of training programs and its implementation. Given the envisaged technical complexities and the requirement for high quality, all consulting firms will be engaged using the quality- and cost-based selection method with a quality cost ratio of 80:20 in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time).
Procurement	Procurement capacity assessment of the implementing agency has been undertaken and included as a linked document. Based on the findings of the assessment, the thresholds for procurement of goods and works as well as consulting services have been defined, and the degree of ADB oversight (prior and post review) has been recommended. These are set forth in the underlying procurement plan.

Responsible ADB Officer      Nakamitsu, Kiyoshi

Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Urban Development and Water Division, CWRD
Executing Agencies	<i>Local Government and Community Development Department, Government of Punjab 6th Floor Local Government Complex Sanda Road, Lahore Pakistan</i>

#### Timetable

Concept Clearance	10 Jul 2014
Fact Finding	22 Jan 2017 to 03 Feb 2017
MRM	18 Apr 2017
Approval	19 Sep 2017
Last Review Mission	-
Last PDS Update	26 Sep 2017

#### Loan 3562-PAK

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	250.00	Cumulative Contract Awards			
ADB	200.00	-	0.00	0.00	%
Counterpart	50.00	Cumulative Disbursements			
Cofinancing	0.00	-	0.00	0.00	%

Project Page	<a href="https://www.adb.org/projects/46526-007/main">https://www.adb.org/projects/46526-007/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=46526-007">http://www.adb.org/forms/request-information-form?subject=46526-007</a>
Date Generated	29 September 2017

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