

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. Key development partners in Punjab include the World Bank, the Asian Development Bank (ADB), the Department for International Development of the United Kingdom, the International Fund for Agricultural Development, the United States Agency for International Development, the Government of France, Japan International Cooperation Agency, the Global Environment Facility, the United Nations Development Programme, the United Nations Children’s Fund, and the Government of the People’s Republic of China. The World Bank’s work on municipal governance and municipal services improvements links with the proposed project.

2. Urban development is a major policy thrust for the Government of Punjab, aimed at improving the standard of living of the urban population. It is also a component of the Punjab Growth Strategy 2018¹ which features cities as engines of growth. The main priority areas in the urban water supply sector include the supply of clean water and its efficient use, the provision of an effective and efficient sewerage and drainage system, environment-friendly disposal of sewage, safe and efficient road infrastructure, the provision of solid waste management services, and strategic planning for the growth of cities.²

3. The Government of Punjab is widening the fiscal space for urban development by implementing key urban initiatives, including current work on property tax improvements. It has allocated PRs36.321 million for urban development in its Medium Term Development Framework, 2016–2019.³ The Government of Punjab works with several development partners to realize its priority areas, as shown in the table below.

Major Development Partners

Development Partner	Project Name	Duration	Amount (\$ million)
Urban Development			
Asian Development Bank	Punjab Intermediate Cities Improvement Investment Project (two projects)	2017–2022	500.00 + Government of Punjab 100.00
World Bank	Punjab Cities Governance Improvement Project	2012–2017	150.00 + Government of Punjab 4.00
	Punjab Municipal Services Improvement Program II	2014–2019	41.01 + Government of Punjab 1.91
World Bank and Global Facility for Disaster Reduction and Recovery	Punjab Urban Resilience Agenda	Ongoing	0.50
Japan International Cooperation Agency	Support for Punjab Water and Sanitation Academy	2009 to date	2.60

¹ Government of Punjab, Planning and Development Department. 2015. *Punjab Growth Strategy 2018: Accelerating Economic Growth and Improving Social Outcomes*. Chandigarh.

² Government of Punjab. 2014. *Punjab Urban Sector Development Sector Plan 2014-2018*. Pakistan.

³ Government of Punjab, Planning and Development Department. 2016. *Medium Term Development Framework, 2016–19*. Chandigarh.

Development Partner	Project Name	Duration	Amount (\$ million)
United Nations Children's Fund	Water and Sanitation Master Plan 2014	2015–2016	
Government of Punjab	Automation of Urban Immovable Property Tax	2013 to date	5.94
	Energy-Efficient Cities: Rain Water Harvesting	Ongoing	0.01
	Ravi Riverfront Development, Lahore	12 years	8.58
	Ashyana Housing Scheme (low-cost housing)	Ongoing	9.54
	<i>Changa Paani</i> (good water) Programme	2013 to date	0.42
	Punjab <i>Saaf Paani</i> (clean water) Company	2014 to date	0.14
	Overcoming energy crisis through harvesting solar energy	2014 to date	19.23
Transport			
Global Environment Facility and United Nations Development Programme	Pakistan Sustainable Transport Project	2013 to date	74.40
Energy and Connectivity			
People's Republic of China	China–Pakistan Economic Development Corridor projects including Optical Fiber Cable from Rawalpindi to Khunjrab, Haier and Ruba Economic Zone II, Karachi–Lahore Motorway (Sukkur–Multan), Joint Feasibility Study for Upgradation of Karachi-Peshawar Railway Line 1 (Main line 1), Sahiwal Coal-Fired Power Plant, Rahimyar Khan Coal Power Plant, Karot Hydro-Power Plant, Lahore Orange Line Metro Train, Matiari–Lahore Transmission Line, Matiari–Faisalabad Transmission Line, Quaid-e-Azam Solar Park in Bahawalpur	Ongoing	13,460.00

Sources: Punjab Urban Development Sector Plan 2014–2018; and Government of Pakistan, Planning Commission.

B. Institutional Arrangements and Processes for Development Coordination

4. The Planning and Development Department of the Government of Punjab is mandated to coordinate development cooperation, while the relevant line departments act as executing or implementing agencies. These departments organize regular coordination and technical seminars and workshops to review current and proposed development initiatives. The ADB resident mission in Islamabad provides links to urban initiatives taking place in other provinces.

5. For urban development, the Urban Unit serves as the technical advisor to the Government of Punjab and the focal point for both internal and external development partners engaged in urban development initiatives in the province. Regular meetings are held with development partner agencies active in urban projects in Punjab.

6. The Local Government and Community Development (LG&CD) Department is the executing agency for the project while the Urban Unit is the technical advisor. A program management unit has been established in the LG&CD Department to manage implementation of

the investment project through the implementation agencies, i.e., city implementation units and the Tehsil Municipal Administration.

7. ADB and the World Bank have agreed to work closely for future project design and implementation. The World Bank processed its first loan using a results-based approach in 2014. To date, all the results have been met and the project is on track. ADB may consider a similar approach for some of the project components when feasible.

C. Achievements and Issues

8. The project, particularly through its institutionalized integrated city development strategy approach,⁴ has established a series of sector development frameworks. Development partners can integrate their initiatives into these frameworks in a coordinated manner. The planning and development tools developed through this program will strengthen public–private partnership capacities and improve conducive ease-of-doing-business environments in the project cities. Adequate city institutional capacities and political ownership will be crucial to achieving maximum advantage from these coordination opportunities.

D. Summary and Recommendations

9. The urban issues have been gaining increased recognition in Pakistan and Punjab through Pakistan Vision 2025⁵ and the Punjab Growth Strategy 2018. These documents acknowledge that cities are the key to social and economic development, and that increased investment in the urban development is essential. The Government of Punjab lacks sufficient human, technical, and financial resources; and relies heavily on a combination of external and private sector partnership coordination to achieve its goals. ADB has fully aligned its project design with the urban policies of Pakistan and Punjab, and will continue supporting the ongoing and incremental urban development direction prioritized by both governments.

10. ADB will coordinate with other development partners, in particular the World Bank, which supports other cities of Punjab. The Government of Punjab requested ADB to finance a new urban project covering five intermediate cities (Bahawalpur, Rahim Yar Khan, Sahiwal, Sargodha, and Sialkot) that are strategically important but not covered by the World Bank project. The five intermediate cities were also proposed as they are close to the China–Pakistan Economic Corridor, which may provide greater economic opportunities with increased trade and regional cooperation. During project implementation, ADB will regularly exchange information with the World Bank and other relevant partners, including new institutions such as the Asian Infrastructure Investment Bank.

⁴ ADB. 2016. *Medium Term Integrated Climate Resilient Urban Infrastructure Investment Program and Pre-Feasibility Study*. Manila (TA8556-REG).

⁵ Government of Pakistan, Planning Commission. 2013. *Pakistan 2025: One Nation–One Vision*. Islamabad.