



Pakistan: National Trade Corridor Highway Investment Program, Tranche 2

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| Project Name | National Trade Corridor Highway Investment Program, Tranche 2 | | | | | | | | |
| Project Number | 40075-033 | | | | | | | | |
| Country | Pakistan | | | | | | | | |
| Project Status | Active | | | | | | | | |
| Project Type / Modality of Assistance | Loan | | | | | | | | |
| Source of Funding / Amount | <table border="1"> <tr> <td colspan="2">Grant 0434-PAK: National Trade Corridor Highway Investment Program, Tranche 2</td> </tr> <tr> <td>Department for International Development</td> <td>US\$ 82.40 million</td> </tr> <tr> <td colspan="2">Loan 3121-PAK: National Trade Corridor Highway Investment Program, Tranche 2</td> </tr> <tr> <td>Ordinary capital resources</td> <td>US\$ 117.60 million</td> </tr> </table> | Grant 0434-PAK: National Trade Corridor Highway Investment Program, Tranche 2 | | Department for International Development | US\$ 82.40 million | Loan 3121-PAK: National Trade Corridor Highway Investment Program, Tranche 2 | | Ordinary capital resources | US\$ 117.60 million |
| Grant 0434-PAK: National Trade Corridor Highway Investment Program, Tranche 2 | | | | | | | | | |
| Department for International Development | US\$ 82.40 million | | | | | | | | |
| Loan 3121-PAK: National Trade Corridor Highway Investment Program, Tranche 2 | | | | | | | | | |
| Ordinary capital resources | US\$ 117.60 million | | | | | | | | |
| Strategic Agendas | Inclusive economic growth Regional integration | | | | | | | | |
| Drivers of Change | Governance and capacity development Partnerships | | | | | | | | |
| Sector / Subsector | Transport - Road transport (non-urban) | | | | | | | | |
| Gender Equity and Mainstreaming | No gender elements | | | | | | | | |
| Description | The Project 2 (E35: Hasanabdal-Havellian Expressway) is part of national trade corridor. It will connect existing M1 at Hasanabadal to Havellian, and will further extend to Abbotabad and Mansehra to North. The Project is almost parallel with existing N5 which is being urbanized in many sections. Due to high traffic volume and deteriorated road condition, E35 is becoming necessary in order to improve the sub regional connectivity within Pakistan, and to China, Afghanistan and other central Asian countries. | | | | | | | | |
| Project Rationale and Linkage to Country/Regional Strategy | <p>The proposed Project 2 is part of the Central Asia Regional Economic Cooperation (CAREC). It will be PAK Investment Project 119 under corridor 5 of updated CAREC. It will improve regional connectivity through improving linkages with the neighboring countries and developing inter-provincial linkages to improve sub-regional connectivity. The proposed project 2 will construct a north-south access controlled expressway system to link the northern area of the country to existing expressway network and lead to better connectivity within Pakistan, to China and Afghanistan and other central Asian countries.</p> <p>The Project 2 is part of the famous Karakoram Highway (KKH), which connects Kashgar of China to Abbottabad of Pakistan and extends to meet the Grand Trunk Road at Hassanabad, and it is also a part of ancient Silk Road. The Project is in line with the Country Partnership Strategy for 2009-2013 and is consistent with ADB's continuous supports on the NTCIP.</p> | | | | | | | | |
| Impact | Efficiency gain for road traffic operation along the National Trade Corridor | | | | | | | | |

Project Outcome

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| Description of Outcome | Improved regional network for movement of goods and people along E35 expressway |
| Progress Toward Outcome | As per government's request ADB approved on 29 April 2016, the widening of the highway from 4 lanes to 6 lanes (including structures and pavements). NHA submitted Variation Order No. 2 for ADB's approval on 24 October 2016 which ADB approved on 24 November 2016 |

Implementation Progress

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| Description of Project Outputs | Expressway connecting Hassanabdal and Sarai Saleh constructed and operational NHA's institutional capacity in social safeguards improved |
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| Status of Implementation Progress (Outputs, Activities, and Issues) | 2 Civil works contracts have been mobilized for the construction of 39 km road in March 2015. Physical progress on package 1 (per VO2) is 66.2% Achieved vs 74% planned and for package 2 (per VO2) is 42.63% achieved vs 73.4% planned. Social safeguards implementation is complied with the ADB's Safeguards Policy Statement. Social Safeguards Management Consultant (SSMC) mobilized in Q1-2015. |
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| Geographical Location | Punjab/Khyber Pakhtunkhwa |
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Safeguard Categories

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| Environment | A |
| Involuntary Resettlement | A |
| Indigenous Peoples | C |

Summary of Environmental and Social Aspects

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| Environmental Aspects | Tranche 2 is a new alignment through areas that are sparsely populated, therefore an Environment Category A project; there are no protected areas in the vicinity with no significant or thick vegetation. The environmental impacts identified are largely concentrated in the construction phase, due to the sheer scale of the project, appropriate and specific mitigation measures. |
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| Involuntary Resettlement | <p>The project is classified as category A for involuntary resettlement. The land acquisition and resettlement framework and two LARPs were approved by ADB and disclosed in 2014. The LARF and LARP were prepared in accordance with ADBs SPS 2009 and an independent land valuation study was also conducted to determine and pay compensation at full replacement costs to DPs.</p> <p>A total of 895 acres of land has been fully acquired for the project construction. Total DPs are 8759, of which 6916 DPs (79%) have been compensated with an amount of PRs1513 million (99% of total payable PRs1514 million). The remaining amount of PRs 1.0 million (1%) is yet to be paid to about 1848 DPs. The average amount payable to the remaining DPs is very small, i.e. PRs.541/ but has to be paid to the DPs through bank accounts. Majority of DPs (1220) neither have their bank accounts already opened nor do they wish to do so due to the cost of opening bank account being higher than the amount of compensation itself. Compensation to other unpaid DPs is slow due to the legal and administrative impediments. NHA and its Social Safeguard Management Consultant (SSMC) is requesting district revenue department to consider making cash compensation to such DPs, but a mechanism of cash payments is yet to be finalized.</p> <p>Safeguards Capacity Strengthening through LAR Training: The project design and monitoring framework (DMF) requires (a) improvement in NHAs institutional capacity in social safeguards management; and (b) at least 30 NHA staff trained in social and environment issues. The SSMC, hired by NHA under institutional strengthening component of the loan, has so far conducted several LAR training events at PIU and NHAs regional offices in Peshawar, Quetta and Karachi and over 50 officials of NHA and consultants including project contractors have been trained in better social safeguards management.</p> |
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| Indigenous Peoples | There will no indigenous people in the project affected area. |
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Stakeholder Communication, Participation, and Consultation

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| During Project Design | The consultation process will continue to share the latest development interventions in the project and take responses from the APs. |
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| During Project Implementation | The consultation process will continue during project implementation. |
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Business Opportunities

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| Consulting Services | All consulting services financed under Tranche 2 will be procured in accordance with the Guidelines on The Use of Consultants by Asian Development Bank and Its Borrowers (2010, as amended from time to time). |
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| Procurement | Procurement of all civil works, equipment and goods will be undertaken in accordance with ADB's Procurement Guidelines (2010, as amended from time to time). |
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Responsible Staff

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| Responsible ADB Officer | Karki, Pawan |
| Responsible ADB Department | Central and West Asia Department |
| Responsible ADB Division | Pakistan Resident Mission |

Timetable

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| Concept Clearance | 28 Jul 2007 |
| Fact Finding | - |
| MRM | 25 Nov 2013 |
| Approval | 01 Apr 2014 |
| Last Review Mission | - |
| PDS Creation Date | 31 Jul 2009 |
| Last PDS Update | 17 Mar 2017 |

Grant 0434-PAK

| Milestones | | | | | |
|-------------|--------------|------------------|-------------|---------|--------|
| Approval | Signing Date | Effectivity Date | Closing | | |
| | | | Original | Revised | Actual |
| 31 Jul 2015 | 01 Sep 2015 | 23 Sep 2015 | 17 Dec 2017 | - | - |

| Financing Plan | | Grant Utilization | | | |
|----------------|--------------------------------|----------------------------|------|--------|----------------|
| | Total (Amount in US\$ million) | Date | ADB | Others | Net Percentage |
| Project Cost | 82.40 | Cumulative Contract Awards | | | |
| ADB | 0.00 | 31 Jul 2015 | 0.00 | 69.69 | 85% |
| Counterpart | 0.00 | Cumulative Disbursements | | | |
| Cofinancing | 82.40 | 31 Jul 2015 | 0.00 | 68.58 | 83% |

Loan 3121-PAK

| Milestones | | | | | |
|-------------|--------------|------------------|-------------|---------|--------|
| Approval | Signing Date | Effectivity Date | Closing | | |
| | | | Original | Revised | Actual |
| 01 Apr 2014 | 17 Sep 2014 | 11 Nov 2014 | 10 Dec 2017 | - | - |

| Financing Plan | | Loan Utilization | | | |
|----------------|--------------------------------|----------------------------|-------|--------|----------------|
| | Total (Amount in US\$ million) | Date | ADB | Others | Net Percentage |
| Project Cost | 155.60 | Cumulative Contract Awards | | | |
| ADB | 117.60 | 01 Apr 2014 | 94.25 | 0.00 | 80% |
| Counterpart | 38.00 | Cumulative Disbursements | | | |
| Cofinancing | 0.00 | 01 Apr 2014 | 32.79 | 0.00 | 28% |

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| Project Page | https://www.adb.org/projects/40075-033/main |
| Request for Information | http://www.adb.org/forms/request-information-form?subject=40075-033 |
| Date Generated | 06 July 2017 |

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