



Pakistan: National Trade Corridor Highway Investment Program - Tranche 3

Project Name	National Trade Corridor Highway Investment Program - Tranche 3								
Project Number	40075-043								
Country	Pakistan								
Project Status	Active								
Project Type / Modality of Assistance	Loan								
Source of Funding / Amount	<table border="1"> <tr> <td colspan="2">Grant 0435-PAK: National Trade Corridor Highway Investment Program - Tranche 3</td> </tr> <tr> <td>Department for International Development</td> <td>US\$ 39.20 million</td> </tr> <tr> <td colspan="2">Loan 3197-PAK: National Trade Corridor Highway Investment Program - Tranche 3</td> </tr> <tr> <td>Ordinary capital resources</td> <td>US\$ 87.80 million</td> </tr> </table>	Grant 0435-PAK: National Trade Corridor Highway Investment Program - Tranche 3		Department for International Development	US\$ 39.20 million	Loan 3197-PAK: National Trade Corridor Highway Investment Program - Tranche 3		Ordinary capital resources	US\$ 87.80 million
Grant 0435-PAK: National Trade Corridor Highway Investment Program - Tranche 3									
Department for International Development	US\$ 39.20 million								
Loan 3197-PAK: National Trade Corridor Highway Investment Program - Tranche 3									
Ordinary capital resources	US\$ 87.80 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	ADB approved a multitrance financing facility (MFF) for the National Trade Corridor Highway Investment Program (NTCHIP) on 10 December 2007 for an amount not exceeding \$900 million.								
Project Rationale and Linkage to Country/Regional Strategy	<p>Pakistan's national trade corridor forms an integral part of the Central Asia Regional Economic Cooperation Corridor 5. It connects the port city of Karachi in southern Pakistan to industrial centers in Punjab centered on Lahore and further to Islamabad and Peshawar in northern Pakistan, and links Pakistan with Afghanistan and other Central Asian countries. The roads, railways, and ports along the national trade corridor handle 95% of the country's external trade through Karachi and land border points, account for 65% of total land freight transport, and serve regions which account for 80_85% of Pakistan's gross domestic product.</p> <p>In 2005, the government of Pakistan launched the National Trade Corridor Improvement Program (NTCIP) to reduce the cost of trade and transport logistics and bring services' quality to international standards. NTCIP aimed at a comprehensive multi-sector reform program to streamline procedures and improve services and physical infrastructure. As part of NTCIP, the National Highway Authority (NHA) prepared a comprehensive national highway development plan for 2006_2015 for upgrading the national highway network and extending the motorway system in line with the Government of Pakistan's 'Vision 2030' and the Medium Term Development Framework for 2005_2010. NHA's plan intended to improve 6,500 km of existing roads and construct 2,500 km of new expressways and motorways with the total cost of \$8 billion, about half of which would be financed by development agencies including ADB and the World Bank.</p> <p>In 2007, ADB approved a multitrance financing facility (MFF) of \$900 million for the National Trade Corridor Highway Investment Program to assist the government in implementing NTCIP. The MFF would assist NHA in constructing new expressways and motorways of 343 km included in the NHA's national highway development plan 2006_2015. The project road, E35, constitutes the scope of the MFF.</p>								
Impact	efficiency gain for road traffic operation along the National Trade Corridor.								

Project Outcome

Description of Outcome	improved regional network for the movement of goods and people along E35 expressway.
Progress Toward Outcome	Since the Project is in its initial construction stage the outcome can not be measured.

Implementation Progress

Description of Project Outputs	Expressway connecting Sarai Saleh and Havelian constructed and operational.
Status of Implementation Progress (Outputs, Activities, and Issues)	Construction of 19.099 km (Sarai Saleh to Havelian) Physical progress on package 3 is 48.11% achieved vs planned progress of 46.99%. Social Safeguards implementation is complied with the ADB's Safeguards Policy
Geographical Location	Khyber Pakhtunkhwa Province

Safeguard Categories

Environment	A
Involuntary Resettlement	A
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects	<p>The Project 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. As required by and ADB's Safeguard Policy Statement (2009) and the EARF for the MFF an EIA was prepared for the entire alignment of E35. Climate change risks and mitigation measures were also considered in the design. The draft EIA was disclosed on 20 March 2012 on both the ADB and NHA websites. Public consultations were conducted with communities along the alignment in 2009 and 2012, respectively; community concerns were addressed through the EIA and incorporated into the Project design.</p>
Involuntary Resettlement	<p>The project is classified as category A for involuntary resettlement. The land acquisition and resettlement framework and a LARP was approved by ADB and disclosed in November 2013. The LARF and LARP were prepared in accordance with ADB's 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 285.34 acres of land has been fully acquired for the project construction. Total DPs are 6632, out of which 3752 DPs (56%) have been compensated an amount of PRs352.5 million (86% of total payable 408.3 million). The remaining amount of PRs. 55.8 million (14%) is yet to be paid to about 2,880 DPs. The average amount of compensation to be paid to the remaining DPs is very small, i.e. Rs.1944/ which has to be paid to the DPs through bank accounts. Majority of DPs (1720) 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> <p>The land acquisition and resettlement framework has been updated, endorsed by NHA, cleared by ADB and disclosed on ADB and NHA websites. The LARP was prepared in accordance with the approved updated LARF, the Land Acquisition Act of 1894 and ADB's SPS (2009), and was disclosed to displaced persons and uploaded to the ADB and NHA websites in November 2013. An independent land assessment study is under process for the Project to identify gaps (if any) between valuation by government and ADB replacement cost. The result of the independent valuation will be duly incorporated into the LARP.</p> <p>Social Safeguards: A total of 849.55 acres of land has been fully acquired for the project. About 3,659 APs (55% of total 6,632 APs) have been paid an amount of Rs. 308.8million (85%) from the total land compensation amount of Rs. 359.3 million. The remaining amount of Rs. 50.4million (15%) is yet to be paid to about 2,925 APs. The payment process is slow due to the procedural requirements of Land Acquisition Act 1894 (LAA). There are about 1,720 APs required to open their bank accounts to receive payment of land compensation. They are not doing so because of their compensation amounts being less than the cost of opening the bank accounts. The APs want to be compensated in cash through a mechanism different from the LAA procedure that requires opening up of bank account. NHA and its Social Safeguard Management Consultant (SSMC) are discussing the matter with Land Acquisition Collectors (LACs of Punjab and Khyber Pakhtunkhwa) about how this could be done. NHA is preparing EOT of SSMC to support and expedite payments to APs.</p> <p>Safeguards Capacity Strengthening through LAR Training: The project's design and monitoring framework (DMF) requires (a) improvement in NHA's 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 NHA's regional offices in Peshawar, Quetta and Karachi. Over 50 officials from NHA's staff, contractors and consultants participated and ranked the training sessions as quite useful. NHA is planning to organize a training workshop for its core project staff with focus on trouble shooting of project implementation issues. The SSMC will prepare a training module in consultation with NHA and impart training sessions through more knowledgeable and senior safeguard experts. The training date and venue will be decided next month.</p>

Indigenous Peoples No indigenous people are identified in and around the Project corridor.

Stakeholder Communication, Participation, and Consultation

During Project Design	All the affected persons in communities were involved in the project impact and socio-economic survey and assessment. On various occasions during meetings, interviews, focus group discussions, public consultation workshops, and community consultation meetings, local representatives participated in the planning and their concerns have been integrated into the construction design, EIA, and LARP. Before implementation, the village leaders and elders will further discuss and consult with the affected persons to ensure that their interests are protected as per ADB guidelines and the relevant laws of Pakistan. NHA will disclose the LARP locally in the communities, in the local language. The LARP will also be posted on ADB 's website and resettlement information booklets in the local language distributed to affected households prior to tranche approval. The resettlement information booklet contains the resettlement scope, project schedule, compensation rates for land and other assets, relocation and economic rehabilitation' strategies, and grievance redress mechanisms.
During Project Implementation	Consultation with national stakeholders will continue during implementation.

Business Opportunities

Consulting Services	Not Required.
Procurement	Construction of Sarai Saleh-Havelian Expressway Section (E35-III), Estimated value US\$116.6 million Procurement of goods, civil works, and services financed from the ADB loan under the project will be done in accordance with ADB's Guidelines for Procurement (2013, as amended from time to time). To ensure competition, international competitive bidding procedures will be adopted.

Responsible Staff

Responsible ADB Officer	Karki, Pawan
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Pakistan Resident Mission
Executing Agencies	<i>National Highway Authority Room No. 110, 1st Floor, NC Building, Sector G-9/1 Islamabad, Pakistan</i>

Timetable

Concept Clearance	-
Fact Finding	-
MRM	14 Oct 2014
Approval	25 Nov 2014
Last Review Mission	-
PDS Creation Date	21 Oct 2009
Last PDS Update	17 Mar 2017

Grant 0435-PAK

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
31 Jul 2015	01 Sep 2015	08 Oct 2015	17 Dec 2017	-	-

Financing Plan		Grant Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	39.20	Cumulative Contract Awards			
ADB	0.00	31 Jul 2015	0.00	33.55	86%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	39.20	31 Jul 2015	0.00	30.21	77%

Loan 3197-PAK

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
25 Nov 2014	01 Sep 2015	08 Oct 2015	10 Dec 2017	-	-

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	110.80	Cumulative Contract Awards			
ADB	87.80	25 Nov 2014	70.27	0.00	80%
Counterpart	23.00	Cumulative Disbursements			
Cofinancing	0.00	25 Nov 2014	30.60	0.00	35%

Project Page <https://www.adb.org/projects/40075-043/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=40075-043>

Date Generated 06 July 2017

ADB provides the information contained in this project data sheet (PDS) solely as a resource for its users without any form of assurance. Whilst ADB tries to provide high quality content, the information are provided "as is" without warranty of any kind, either express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and non-infringement. ADB specifically does not make any warranties or representations as to the accuracy or completeness of any such information.