

Project Summary Information (PSI)

Project No: 000077

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| Project Name | Rawalpindi Ring Road Project |
| Country | Islamic Republic of Pakistan |
| Sector | Transport |
| Project No | 000077 |
| Borrower | Islamic Republic of Pakistan |
| Implementation Agency | Communication and Works Department, Government of Punjab |
| Environmental and Social Category | Category A |
| Date of PSI prepared or updated | March 29, 2018 |
| Estimated Date of Board Consideration | December 20, 2018 |
| Concept Decision | Approved on April 6, 2018 |

I. Introduction

Islamabad – Rawalpindi Metropolitan Area plays a vital role in Pakistan's economy. It is the country's third-largest populated metropolitan area, consisting principally of the twin cities of Islamabad and Rawalpindi. Both cities are connected by road and metro bus system, and their economies are closely interlinked. Rawalpindi is also a major logistics and transportation center for northern Pakistan.

The National Highway N-5 is one of the most important national transport corridors in the country. The 1,819-km long highway connects the key economic centers, such as Torkham, Peshawar, Islamabad, Lahore, and Karachi. Traffic movements, including 96 percent of external trade and 65 percent of total inland freight, are primarily concentrated along this corridor. One of the key bottlenecks on N-5 is the section which passes through the central areas of Rawalpindi.

Development of the Rawalpindi Ring Road will help relieve the bottleneck on N-5. It will help alleviate congestion in the central areas of Rawalpindi city, and release space and save travel time for non-motorized traffic, public transport and commuting vehicles within the twin cities. It will also facilitate the growth of the Rawalpindi city towards south-western side in a planned manner. Segregating the strategic movements towards the southwest part of the city from local traffic will enhance the city's function as the national transport and logistic hub. Moreover, the city northeast part and Islamabad will have sufficient space for livability, job creation and other service or industry developments. It will also contribute to reduction in fuel consumption, vehicular noise and air pollution in the urban area.

II. Project Objectives and Expected Results

The objective of the proposed project is to improve economic connectivity and road transport efficiency in Islamabad-Rawalpindi Metropolitan Area through constructing the ring road and associated facilities.

Indicative results indicators of the proposed project are: (i) reduced travel time for through traffic users; (ii) increased population with access to quality, all-season roads. Other intermediate indicators and the results monitoring framework to monitor the project progress and outcome will be developed and finalized during appraisal.

III. Project Description

The Project will comprise of 2 components as described below.

Component I: Construction of road works, ancillary works and consulting services. The component will include (i) roads about 58.8 kilometers long in total that include main line of the ring road about 38.3 kilometers long, and several link roads ; (ii) ancillary works to enable the project roads fully functional, e.g. installation of traffic management equipment and traffic surveillance, construction of operation and

maintenance (O&M) camps and its facilities, procurement of O&M equipment, roadside service facilities, tolling and communication systems; and (iii) consulting services, e.g. construction supervision consultants.

Component II: Institutional strengthening and technical support. Based on the assessments of the government systems and project institutional arrangements, institutional strengthening support will be provided. Moreover, the proposed project will also provide technical assistance to project implementation agencies in the respects of managing and monitoring project implementation.

IV. Environmental and Social Category

The Bank's Environmental and Social Framework (ESF) will be applicable to the proposed project, and the Environment and Social Standards (ESSs) will be applicable for screening, categorization and due diligence with respect to specific contexts of the subprojects. As per the Bank's ESF, the project is proposed to be Category A, considering the nature of the project activities and local environmental and social contexts. As part of project preparation, instruments, such as the Environmental and Social Impact Assessment (ESIA) and the Environmental and Social Management Plan (ESMP), Resettlement Policy Framework (RPF), Resettlement Action Plan (RAP) should be prepared in parallel with other project documents, under the ESF.

V. Estimated Project Cost and Financing Source

The total project cost is estimated to be USD 459 million, of which USD 449 million on Component 1, and USD10 million for Component 2. Land acquisition will be financed by the government.

The financing sources are as follows:

| For Loans/Credits/Others | Amount (USD million) |
|---------------------------------|-----------------------------|
| AIIB Loan | 402.0 |
| Government of Punjab | 57.0 |
| Total | 459.0 |

VI. Implementation

The project will be implemented by the Communications and Works (C&W) Department, Government of Punjab.

All procurement under the project will be carried out in accordance with the Bank's Procurement Policy dated January 2016 and Interim Operational Directive on Procurement Instructions for Recipients dated June 2, 2016.

Proposed project implementation period: January 1, 2019 - December 31, 2023

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