

 Early Warning System

AIIB-00001

National Motorway M-4 (Shorkot-Khanewal Section) Project



Quick Facts

Countries	Pakistan
Financial Institutions	Asian Development Bank (ADB), Asian Infrastructure Investment Bank (AIIB)
Status	Approved
Bank Risk Rating	A
Voting Date	2016-06-24
Borrower	Islamic Republic of Pakistan
Sectors	Transport
Potential Rights Impacts	Cultural Rights, Healthy Environment, Housing & Property, Indigenous Peoples, Labor & Livelihood, Right to Food
Investment Type(s)	Loan
Investment Amount (USD)	\$ 100.00 million
Project Cost (USD)	\$ 273.00 million



Project Description

One of the Asian Infrastructure Investment Bank's first projects, the National Motorway M-4 project involves construction of 64 kilometers of a four-lane section of motorway that will link Shorkot to Khanewal in the Punjab province of Pakistan. The motorway will be four lanes wide, with each lane 3.65m wide.

The project has the following components:

- Construction of a 4 lane dual carriageway

- Construction of interchanges at various road crossings

- Construction of bridges at Ravi river and Sadhnai Canal

Location:

The length of this Motorway Project is about 184 Km starting from the end point of Faisalabad-Pindi Bhattian Motorway (M-3) near Faisalabad and ending at National Highway Multan- Khanewal Road (N-5). The villages impacted, particularly by land acquisition, will be in the Jhang and Khanewal districts of Punjab province.

Resources needed:

Land acquisition. ADB documents state that the Project will require acquisition of 1616.7 acres of private land in 35 villages/mouzas and 79.1 uncultivated government land for the right of way. Other bank documents provide what appear to be contradictory estimates of the land required for acquisition and the numbers of households displaced. More clarity is needed on the scope of these impacts.

Key Dates:

Project implementation is from June 2016 to June 2020. Loan closing date December 31, 2020.



Early Warning System Project Analysis

Risk Assessment:

Category A for Environment and Involuntary Resettlement; Category C for Indigenous Peoples. As a co-financed project between ADB and AIIB, this project will apply the Asian Development Bank's (ADB) Safeguard Policy Statement. The ADB is the lead co-financier and will administer the project on behalf of other co-financiers. The ADB classifies proposed projects depending on the significance of the potential environmental impacts and risks. According to the ADB and AIIB, the Project has been assigned Category A for Environment, Category A for Involuntary Resettlement, and Category C for Indigenous Peoples. This categorization recognizes the need for in-depth review of environmental and social impacts and preparation of a detailed planning instrument to support involuntary resettlement and land acquisition.

APPLICABLE SOCIAL & ENVIRONMENTAL STANDARDS

This project will use ADB's Safeguard Policy Statement. Based on ADB documents, the following ADB safeguards are triggered:

Environmental Assessment - triggered "due to the potential multi-dimensional environmental and social concerns that could be sensitive, diverse or unprecedented." According to the AIIB documents, "[t]he major environmental impacts are concentrated in the construction phase. Soil erosion, dust, and noise impacts are likely to be significant. Noise impacts will persist into the operational phase." The Environmental Management Plan includes measures to minimize anticipated impacts during construction and operation.

Involuntary Resettlement - triggered because according to the ESIA, the "most significant impact of the project is the resettlement of residents and taking about 4715 acres of agricultural land out of production."

Indigenous Peoples - NOT triggered. According to project documents, "the screening of project confirmed that no IP groups were found existing in the project areas."



People Affected By This Project

OUR RISK ASSESSMENT

Based on the project documents, this project poses potential risks to the following human rights:

RIGHT TO ADEQUATE HOUSING

The project poses serious impacts on the right to adequate housing. NGO Forum on ADB has called into question several aspects related to resettlement, including the calculation and disclosure of total number of households who will be displaced and the identification and entitlements of tribal populations (discussed below). More clarity is needed in documentation and community outreach in order to understand the scope of resettlement impacts. According to AIIB documents, the project will require 1616.7 acres of private land “that will impact 3,429 households (23,186 displaced persons), of which 2,754 persons will lose more than 10 % of their productive land and 162 households with 1,302 members will be physically displaced.”

Resettlement will be managed by the National Highway Authority of Pakistan. The National Highway Authority has prepared and submitted to ADB the final land acquisition and resettlement plan (LARP).

The NGO Forum on ADB sought clarification from the ADB on estimates pertaining to the number of households losing their land as a result of the Project which was pegged at 3,429 displaced households which was only translated to 6,036 displaced persons or roughly just two individuals in each household. If not addressed, could leave thousands of people uncompensated and worse off after the Project.

RIGHT TO FOOD

According to the Land Acquisition and Resettlement Plan, “the land surrounding the project corridor is irrigated agricultural land which is mostly cultivated.” Crops grown along the project corridor include wheat, cotton, sugarcane, rice and maize. To the extent that the communities displaced by the project rely on this agricultural land for sustenance, this project may impact their access to the land and thus the right to food may be impacted. Bank documents also indicate that 91,661 trees will have to be cut down in the Right of Way. Most are fruit-bearing trees. To the extent that these trees are a source of food for locals, this could pose a negative impact on the right to food. The EIA did not have any discussion on the impacts of the shift in land use on agricultural productivity and local food systems given that the corridor of impact covers irrigable agricultural areas.

RIGHT TO LIVELIHOODS

According to the Land Acquisition and Resettlement Plan, farming is the main occupation in the project area, with 29 % of the affected households working in this field. To the extent that the communities displaced by the project rely on this agricultural land as source of their livelihood, this right may then be impacted. Livelihood restoration is discussed in the Land Acquisition and Resettlement Plan. Livelihood affected due to loss of commercial structures will be supported for their loss of income, on actual basis as supported by tax payment records. In the absence of any supporting documents, loss of income is calculated on the basis of minimum wage rate announced by the government, for a period in which they are unable to attain their routine livelihood earning activities which could be up to 3-6 months maximum, in case of temporary or permanent loss of business/livelihoods. NGO Forum on ADB have questioned whether this livelihood restoration is sufficient to bring local communities back to pre-project levels. Finally, the cutting down of 91,661 trees (noted above) may have impacts on locals’ livelihoods, to the extent that the trees provide a source of income.

LABOR RIGHTS

The entire Right of Way passes through irrigated agricultural land of surrounding rural settlements of Jhang and Khanewal Districts where agriculture is a predominant economic activity.

The NGO Forum on ADB notes that the number of employment loss in the LARP may be underreported at 21 individuals when the same document has mentioned that “some agro base industries are also established in the area ... The major industrial units in the area are sugar mill, ice factory, ginning factory, cold storage, oil expeller, flour mill and poultry feed factories etc.”



Investment Description

- Asian Development Bank (ADB)
- Asian Infrastructure Investment Bank (AIIB)

Bank financing: Asian Infrastructure Investment Bank. This project will also be co-financed by the Asian Development Bank (ADB) and the UK Department for International Development (DFID). The ADB will be the lead co-financier and will administer the project on behalf of the other co-financiers. The National Highway Authority of Pakistan will be the executing agency.

Borrower: Islamic Republic of Pakistan

Amount of bank loan or investment: \$100 million USD (AIIB) and \$100 million USD (ADB), \$34 million USD (Department for International Development UK), \$39 million USD (Government of Pakistan)

Total project cost: \$273 million USD



Contact Information

AIIB Project Team Leader

Wang Hong, Operation Advisor

Team members

Philip Daltrop, Senior Legal Consultant

Anzheng Wei, Financial Analyst

Email contacts not provided

ADB Project Team

Zheng Wu Project Team Leader

Email contacts not provided

CONSULTATIONS

According to ADB's Environmental and Social Impact Assessment, the consultant's environmental impact assessment team identified the stakeholders of the proposed Project and discussed the Project with them during the detailed field visits. Their views and concerns were noted and have been incorporated in section 8 of this Report. After reviewing their concerns, mitigation measures have been suggested for giving them the due compensation. Bank documents also state that stakeholders of section-III of M-4 were contacted in December 2015 "during detail project visits." However, NGO Forum on the ADB, among other groups, has called into question the adequacy of these consultations, noting reports that there was not adequate notice for consultations.

PUBLIC INFORMATION AND DISCLOSURE POLICY OF AIIB

Based on AIIB's Public Information Interim Policy, the public has the right to access information. Such information on AIIB's policies and decision-making determines the public's participation and ultimately on environmental and social sustainability and safeguards. This Policy will be fundamental to understanding and monitoring the AIIB's impact, as well as carrying out corrective measures when needed. Similar to other multilateral development banks, the AIIB should also provide the possibility of appeal in cases where a requester believes that the AIIB client or the AIIB have improperly restricted access to information.

PROJECT-LEVEL GRIEVANCE MECHANISMS

According to the Land Acquisition and Resettlement Plan, a three-tiered project level grievance mechanism has been provided to deal with issues at the village level, project level, and National Highway Authority HQ level. Specifically: "At village level, the grievances will be recorded and addressed with participation of Displaced Persons committees, and at Project Level, a gender sensitive grievance redress committee has been notified (Office Order No. 1(1)/NHA/EALS/2009/26 Dated 8/10/2009) and functional since date of notification. While at NHA HQ level, the EALS will be responsible to review and address the grievances if not resolved at Project Level." However, NGO Forum on ADB has called into question the accessibility of the project-level grievance mechanisms, noting that the grievance mechanism contact is about two hours away by transport from affected communities.

ACCOUNTABILITY MECHANISM OF AIIB

The AIIB has established the Accountability Mechanism for Project-Affected People (PPM). The PPM provides "an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement the ESP in situations when their concerns cannot be addressed satisfactorily through Project level GRMs or AIIB Management processes." Two or more project-affected people can file a complaint. Under the current AIIB policy, when the bank co-finances a project with another development bank, it may apply the other bank's standards. You can refer to the Project Summary Information document to find out which standards apply. You can learn more about the PPM and how to file a complaint at: <https://www.aiib.org/en/about-aiib/who-we-are/project->



Bank Documents

- [Environmental Impact Assessment](#)
- [PAK: National Motorway M-4 Gojra ShorkotK Khanewal Section Project Resettlement Plan](#)
- [Pakistan: National Motorway M-4 \(Shorkot-Khanewal Section\) Project Summary](#)
- [Project Document](#)
- [Project Summary](#)



Other Related Projects

- ADB-48402-002 National Motorway M-4 Gojra-Shorkot-Khanewal Section Project - Additional Financing
- ADB-48402-001 National Motorway M-4 Gojra-Shorkot Section Project