

 Early Warning System

AIIB-000913

Pakistan: Reconstruction of National Highway N-5 under Pakistan's  
Resilient Recovery, Rehabilitation and Reconstruction Framework  
Project - Phase 1A (the "Project")



## Quick Facts

Countries	Pakistan
Specific Location	Islamabad Capital Territory, Punjab, Khyber Pakhtunkhwa (KP), and Sindh provinces
Financial Institutions	Asian Infrastructure Investment Bank (AIIB)
Status	Proposed
Bank Risk Rating	A
Borrower	Government of Pakistan - National Highway Authority (NHA)
Sectors	Law and Government, Transport
Investment Type(s)	Loan
Investment Amount (USD)	\$ 320.16 million
Project Cost (USD)	\$ 355.73 million



## Project Description

According to the Bank's website, the project consists of a multi-phase Program (MPP): To improve the climate resilience, operational efficiency, and road safety in selected critical sections of the National Highway N-5 in Pakistan (phase 1).

The Reconstruction of National Highway N-5 under Pakistan's Resilient Recovery, Rehabilitation, and Reconstruction Framework Project aims to enhance the climate resilience, operational efficiency, and road safety by reconstructing and upgrading critical four-lane segments into a climate-resilient six-lane dual carriageway. AIIB's financing (referred as the "Multi-phase Program" or "MPP") encompasses the reconstruction of four sections of N-5, totaling 213 kilometers (km) across Islamabad Capital Territory, Punjab, Khyber Pakhtunkhwa (KP), and Sindh provinces, and the reconstruction of two 1-kilometer-long bridges in Sindh province. The MPP aligns with the Phase 1 of the National Highway Authority (NHA) of Pakistan's 20-year, four-phase plan to rebuild and expand this critical national infrastructure.

Within this broader MPP framework, the Phase 1A Project (the "Project") focuses on two key sections of N-5, covering a total of 75 km: Rawalpindi to Burhan (44 km) and Nowshera to Peshawar (31 km), alongside the reconstruction of the Nai Baran Bridge located southwest of Hyderabad in Sindh province. The Phase 1B project will focus on another two key sections of N-5, covering a total of 138 km: Lahore to Gujranwala (68 km) in Punjab province and Ranipur to Rohri (70 km) in Sindh province, alongside the reconstruction of the Indus River Bridge at Hyderabad in Sindh province. The Phase 1B project will be prepared and approved later than the Phase 1A Project after meeting certain criteria.

The Phase 1A Project consists of three components: (1) civil works to reconstruct two sections of N-5 (Rawalpindi - Burhan, and Nowshera - Peshawar) and the Nai Baran Bridge; (2) design review and construction supervision consultant; and (3) baseline cost such as resettlement of informal users, environmental and social (ES) management, and government fees and permits.

The AIIB has mobilized a USD2 million Project Preparation Special Fund (PPSF) grant to strengthen the preparation of the Project and the MPP by enhancing climate resilience, safety, ES assessments, and digital project management capabilities.



## Early Warning System Project Analysis

**Applicable Policy and Categorization:** AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Standards (ESSs) and the Environmental and Social Exclusion List (ESEL), applies to both the MPP and the Phase 1A Project. The Project triggers ESS 1 (Environmental and Social Assessment and Management) and ESS 2 (Involuntary Resettlement). ESS 3 (Indigenous Peoples) is not applicable, as no indigenous peoples are present or have a collective attachment to the Project area. The Project is classified as Environmental and Social (ES) Category A, reflecting significant ES risks due to large-scale construction activities, including the widening, and upgrading of an existing highway from four lanes to six lanes and the construction of bridges. These activities span a large geographic area, with the potential to generate substantial ES impacts.

**Environment Aspects:** The MPP and Project scope involves the widening and upgrading of the existing highway from four lanes to six, along with the construction of bridges. Although many environmental risks and impacts are already present due to the highway's current state, the proposed upgrades could introduce new impacts. Initial ES screening and reconnaissance site visits have identified several key environmental concerns, including sensitive receptors such as nearby forests and national parks, water bodies, traffic congestion, accidents, drainage issues, waterlogging, and the presence of trees and vegetation within the right-of-way (ROW) of N-5. Potential environmental risks identified include: (i) construction waste management; (ii) air and noise pollution due to dust, noise, and vibration; (iii) the risk of operational or accidental spills, particularly from fuel and lubricants used in construction machinery; (iv) biodiversity risks and damage to aquatic ecology, changes in hydrological conditions, obstruction of animal migration, and water pollution; and (v) improper site reinstatement, where construction sites are inadequately restored post-project. The ESMPF will address these risks with generic mitigation measures. A more detailed, site-specific assessment of these risks will be carried out during the ESIA and ESMP processes, with appropriate mitigation measures developed during the road planning and design phases to minimize potential impacts.

**Social Aspects:** There are potential social risks and impacts that need to be addressed. These include the potential lack of inclusion of vulnerable and disadvantaged groups to share the Project benefits, inadequate and ineffective stakeholder engagement, large resettlement and relocation (R&R), restrictions on land use, and economic displacement caused by civil works. Additionally, risks are associated with labor and working conditions, including occupational health and safety (OHS), community health and safety related to potential labor influx. The livelihood impacts related to R&R primarily concern the economic displacement of informal businesses, such as shops and stalls, due to road widening. The extent and severity of these impacts will be evaluated and mitigated in the RAP. Furthermore, the potential impact of Project activities on women will be assessed in the gender assessment and ESIA. Measures to address the potential negative impacts, particularly from the migrant workers' influx and the associated risks of gender-based violence, will be included in the ESMP and the Gender Action Plan (GAP).

**Occupational Health and Safety (OHS), Labor and Working Conditions (LWC):** The MPP and the Project will involve typical construction work-related OHS risks such as work-related accidents, hazards associated with the use of explosives and hazardous chemicals, electric shock, mechanical and load handling hazards, health issues from work environment, and traffic and road safety. Relevant mitigation measures will be formulated in the ESMP. Construction-specific risks and impacts considered under the MPP and the Project are further related to significant labor influx and potential social tensions with the host communities. The ESMP and the Labor Working Plan (LWP) prepared for the Project will include relevant procedures to manage LWC risks and impacts during both the construction and operational phases. The ESMP/LWP will be implemented, monitored, and reported to address these OHS/LWC risks and impacts.



## Investment Description

- Asian Infrastructure Investment Bank (AIIB)

MPP cost: USD 555.03 million; AIIB loan: USD 499.53 million (90%); Government of Pakistan (GoP): USD 55.50 million (10%)

Phase 1A Project cost: USD 355.73 million; AIIB Loan: USD 320.16 million (90%); GoP: USD 35.57 million (10%)



## Contact Information

### CONTACT INFORMATION

#### PROJECT TEAM LEADER

Asian Infrastructure Investment Bank

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#### BORROWER

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#### IMPLEMENTING ENTITY

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### ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.aiib.org/en/contact/information-request/index.html>

### 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-affected-peoples-mechanism/how-we-assist-you/index.html>

The complaint submission form can be accessed in Arabic, Bahasa Indonesia, Bengali, Chinese, English, Tagalog, Hindi, Nepali, Russian, Turkish, or Urdu. The submission form can be found at: <https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/submission/index.html>



## Bank Documents

- Draft Environment and Social Action Plan (ESAP)
- Draft Environment and Social Impact Assessment (ESIA)
- Draft Environment and Social Management Planning Framework (ESMPF)
- Draft Gender Action Planning Framework (GAPF)
- Draft Labor Management Plan (LMP)
- Draft Resettlement Action Plan (RAP) for Section 2 Ranipur-Sukkur
- Draft Resettlement Action Plan (RAP) for Section 7 Rawalpindi-Hassanabdal
- Draft Resettlement Action Plan (RAP) for Section 8 Nowshera-Peshawar
- Draft Resettlement Planning Framework (RPF)
- Draft Stakeholder Engagement Plan (SEP)
- General Procurement Notice (March 10, 2025)
- Project Summary (December 17, 2024) [Original Source]
- Project Summary (May 6, 2025)
- Urdu Executive Summary of Draft Environment and Social Management Planning Framework (ESMPF)
- Urdu Executive Summary of Draft Environmental and Social Action Plan (ESAP)
- Urdu Executive Summary of Draft Environmental and Social Impact Assessment (ESIA)
- Urdu Executive Summary of Draft Labor Management Plan (LMP)
- Urdu Executive Summary of Draft Resettlement Action Plan (RAP) for Section 7 Rawalpindi-Hassanabdal
- Urdu Executive Summary of Draft Resettlement Action Plan (RAP) for Section 8 Nowshera-Peshawar
- Urdu Executive Summary of Draft Resettlement Pan (RAP) for Section 2 Ranipur-Sukkur
- Urdu Executive Summary of Draft Stakeholder Engagement Plan (SEP)
- Urdu Executive Summary of Gender Action Planning Framework (GAPF)
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