

Pakistan : Karachi Bus Rapid Transit Red Line Project

1. Project Information

Project ID:	P000162	Instrument ID:	L0162A
Member:	Pakistan	Region:	Southern Asia
Sector:	Transport	Sub-sector:	Urban transport
Instrument type:	<input checked="" type="checkbox"/> Loan:71.80 US Dollar million <input type="checkbox"/> Guarantee	Lead Co-financier(s):	Asian Development Bank
ES category:	A	Borrowing Entity:	Ministry of Finance, Pakistan
Implementing Entity:	TransKarachi; Sindh Mass Transit Authority		
Project Team Leader:	Yaxin Yan		
Responsible DG:	Gregory Liu		
Responsible Department:	INF2		
Project Team Members:	Zhixi Zhu, OSD - Environment Specialist; Liu Yang, Project Counsel; Yogesh Malla, OSD - Financial Management Specialist; Guoping Yu, OSD - Procurement Specialist; Manuel Benard, Back-up PTL; Jiaming Yu, Project admin		
Completed Site Visits by AIIB:	Jun, 2022 17 -21 June 2022 (Ghufran Shafi and Ibad ur Rehman). Note: As the focal point of INF2 Pakistan portfolio, Ghufran visited Karachi for loan review missions of a few projects, including Karachi Bus Rapid Transit Red Line Project. Sep, 2022 19-20, September 2022 (Yaxin Yan, Manuel Benard, Tahir Sheikh), Loan Review Mission May, 2023 11-12 May, 2023 (Tahir), Loan Review Mission Jun, 2023 7-9 June, 2023 (Tahir Sheikh, Mudassar Hassan, Ansar Abbas) Operational Health and Safety review mission.		
Planned Site Visits by AIIB:	None		
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	0		
Previous Red Flags Assigned Date:	2022/12		

2. Project Summary and Objectives

The objective of the Project is to provide an efficient and sustainable public transport system in Karachi by delivering the city's Red Line Bus Rapid Transit (BRT) corridor.

The Project will improve the public transport system in Karachi through efficient and safe connectivity and reduced journey times, and will provide high quality, accessible and affordable mass transit. The planned activities under the project are (1) delivering (i) the 24.2-kilometer (km) Red Line main corridor, (ii) a 2.4-km section of the common

corridor along with all BRT lines merged in the city center and (iii) off-corridor direct and feeder service routes connecting the corridor to communities; and (2) establishment of BRT operations, including procurement of compressed natural gas-hybrid fleet and systems.

Total Project cost is USD 503.2 million and co-financed by ADB (USD 235 million), AFD (USD 71.8 million), GCF (USD 49 million), GoS (USD 75.6 million) and AIIB (USD 71.8 million).

3. Key Dates

Approval:	Nov. 11, 2019	Signing:	Feb. 24, 2021
Effective:	Apr. 13, 2021	Restructured (if any):	
Orig. Closing:	Jun. 30, 2024	Rev. Closing (if any):	Jun. 30, 2026

4. Disbursement Summary (USD million)

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	4.37	Most recent disbursement (amount/date):	0.59/Apr. 11, 2023
Undisbursed:	67.43	Disbursement Ratio (%) ¹ :	6.09

5. Project Implementation Update

A. Location of bus depot sites. The issue of the location of two bus depot sites (Malir Halt and Mosamiyat) has now been resolved. The Pakistan Rangers have partially vacated the allocated land for the bus depot at the Malir halt. The depot at Mosamiyat has now been shifted to the alternate site at Aladin Park. The land at Aladin Park has been allocated, and requisite government permissions have been obtained. The design changes necessitated by relocating the depot site to Aladin Park are in progress.

B. Utility relocation. The process is slowly progressing. Karachi Electric remains slow. The next payment due to the utilities for relocation has been released by the GoS and shall be paid to the utility providers in due course. Ten additional utilities by private parties (internet fiber cables) have been discovered. The private parties are demanding compensation for relocation. Such a compensation was not envisioned earlier. TransKarachi is of the view that no payment is to be made.

C. The TransKarachi BOD has now been reconstituted, with Mr. Sarosh Lodhi appointed as new chairman. Mr. Tufail Palejo is the new CEO. There are still some vacancies for independent directors and key positions. TransKarachi has been reminded again that the BOD and senior management appointments require co-financiers' concurrence.

¹ Disbursement Ratio is defined as the volume (e.g. the dollar amount) of total disbursed amount as a percentage of the net committed volume.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component A. Construction of Karachi Red Line BRT Corridor and Associated Facilities	<p>Lot-1: contract has been signed in December 2021 has been mobilized onsite and started works. The main ongoing activities include: (i) tree cutting, (ii) test pits for utilities relocation; (iii) temporary traffic diversions for underpasses and stations, (iv) excavation/reinforcement/concreting for storm water drain, and (v) existing utilities relocation.</p> <p>Lot-2: just relocated its site camp office from Urdu University ground to Aladin park. The main ongoing activities include (i) tree counting, and (ii) join survey with the Project Management and Construction Supervision Consultants (PMSCS).</p>	<p>ES documents have been prepared and disclosed.</p> <ul style="list-style-type: none"> Draft RP-Common Corridor & Staging Facility is developed based on preliminary design. RP for Biogas Plant draft is under preparation. Contractors' SSESMPs for Lot 1 and 2 have been prepared. <p>External Monitoring</p> <ul style="list-style-type: none"> Semi-annual External Environmental and Social Monitoring Reports (July-Dec 2022) were submitted respectively. 	<p>Procurement for PMSCS and Civil Works (Lot 1 & Lot 2) completed. The PMSCS is providing project management and construction supervision services to the project. The two works contracts are under implementation and there have been no variations registered so far.</p>
Component B. Establishment of BRT Operations	In Planning stage.	<ul style="list-style-type: none"> Contractors' SSESMPs for Lot 1 and 2 have been prepared. ES documents have been prepared and disclosed. Draft RP-Common Corridor & Staging Facility is developed based on preliminary design. RP for Biogas Plant draft is under preparation. <p>External Monitoring</p> <ul style="list-style-type: none"> Semi-annual External Environmental and Social Monitoring Reports (July-Dec 2022) were submitted respectively. 	<p>No contracts have been awarded under this component. Procurement for system control company, vehicle operating company and Biogas plant to be undertaken. TransKarachi shall complete bid documents for the system control company. ADB shall provide the technical experts to assist TransKarachi in completing the bid documents for the biogas DBO and vehicle operating company tender.</p>

Financial Management:

Financial Management: The project audited financial statement for FY 22 was received on April 19, 2023. The auditors have raised some audit observations in their

management letter. AIIB is in discussion with ADB on the audit observations, as well as reviewing reasons for low disbursement rate.

6. Status of the Grievance Redress Mechanism (GRM)

An integrated GRM for environment and social was established and functional at the project level to facilitate amicable and timely resolution of complaints and grievances, including local communities regarding the social, environmental, and resettlement aspects of the project. A Grievance Redress Committee has been established. 150 grievances were received and 120 of them have been resolved by June 7, 2023. The 30 pending cases are all requests for correction in the cheques which are being processed.

7. Results Monitoring (please refer to the full RMF, which can be found on the last page of this PIMR)

The BRT lines are in planning and construction phase, in view of 2025 operations. AIIB and ADB team are working together to update the result monitoring framework to align the dates and targets with revised project completion timeline.

Remarks:

Project Objective Indicators	Indicator level	Unit of Measure	Cumulative Target Values																			Frequency	Responsibility	Comments		
			Baseline		2019		2020		2021		2022		2023		2024		2025		2026		End Target					
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year				Target	Actual
Number of passengers carried, as measured by the average daily ridership, of whom at least 15% are women.	Project	People, million	2019	0	0																2026	0.32				
Increased average bus commercial speeds on the BRT corridor.	Project	km/hr	2019	12.2	12.2																2026	25.0				
Reduced GHG (Green House Gas) emissions by using CNG (Compressed Natural Gas)-hybrid buses.	Project	Metric ton of CO2eq	2019	0	0																2026	77,979.0				

Project Intermediate Indicators	Indicator level	Unit of Measure	Cumulative Target Values																			Frequency	Responsibility	Comments		
			Baseline		2019		2020		2021		2022		2023		2024		2025		2026		End Target					
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year				Target	Actual
Construction of 22-km main corridor and 2.4-km common corridor.	Project	km	2019	0	0																2026	26.6				