



Project Summary Information

Date of Document Updating: Nov. 18, 2020	
Project Name	Karachi Water and Sewerage Services Improvement Project-2 (KWSSIP-2)
Document Code	PD000404-PSI-PAK
Country	Islamic Republic of Pakistan
Sector/Subsector	Water: Watery Supply and Wastewater Management
Status of Financing	Under Preparation
Project Description	<p>The proposed project will deepen the reforms undertaken under the KWSSIP Phase-1 project and significantly scale-up the infrastructure investments to improve water supply and sewerage services in Karachi. The investments in the rehabilitation of existing and the construction of new infrastructure will enhance the development impacts by reaching more beneficiaries, at the same time, building support for continued mainstreaming of the operational reforms. Proposed activities are grouped into three components:</p> <ol style="list-style-type: none"> 1. Reforms of KWSB: This component will continue to build capacity and improve the operational performance of Karachi Water and Sewerage Board (KWSB) by supporting institutional reforms; revenue management, customer care and communication; non-revenue water reduction; preparation and implementation of water safety plans; water wastage reduction program and water audits. 2. Securing Sustainable Water Supply and Sewerage Services: This component will invest in key water and sewerage infrastructure to address three interlinked structural problems in Karachi's water and sanitation system – the overall supply shortfall; the low water quality; and the lack of sewage treatment capacity. 3. Project Management: This component will support project management, implementation supervision and institutional strengthening of KWSB.
Objective	The Project objectives are to increase water availability, improve the safety of water and sewerage services in Karachi, and increase KWSB's financial and operational performance.
Expected Results	The progress toward the project objectives will be measured by monitoring the achievement of following proposed outcomes:

	<ul style="list-style-type: none"> • Direct project beneficiaries (number), of which female (percentage) • Bulk water delivered to the service provider (million gallons per day) • Clean water produced (million gallons per day) • Persons provided with access to drinking water uncontaminated by fecal coliforms under the project (number) • Persons provided with access to sewerage systems which are connected to a wastewater treatment plant under the project (number) • Coverage of Operation & Maintenance Costs (percentage)
<p>Environmental and Social Category</p>	<p>World Bank Category “High Risk” (which is equivalent to Category A if AIIB’s ESP were applicable)</p>
<p>Environmental and Social Information</p>	<p>The Project will be co-financed with the World Bank (WB) as lead co-financier and its environmental and social (ES) risks and impacts have been assessed in accordance with the WB’s Environment and Social Framework (ESF). To ensure a harmonized approach to addressing the ES risks and impacts of the Project, and as permitted under AIIB’s Environmental and Social Policy (ESP), AIIB agrees that the WB ESF will apply to the project in lieu of AIIB’s ESP. AIIB has reviewed the WB ESF and is satisfied that: (a) it is consistent with AIIB’s Articles of Agreement and materially consistent with the provisions of AIIB’s ESP and the relevant ES Standards; and (b) the monitoring procedures that are in place are appropriate for the project.</p> <p>The Environmental Management Framework (EMF) and Social Management Framework (SMF) including a Resettlement Planning Framework (RPF) will be updated. ES instruments for individual sub-components of the project will be prepared including Environmental and Social Impact Assessments (ESIAs), Environmental and Social Management Plans (ESMPs) and Resettlement Plans (RPs). In addition, an Environmental and Social Review of the on-going K-IV project, and an Ecological Assessment of the wetlands/Ramsar sites for downstream-Indus impacts will be conducted.</p> <p>Upon completion, the project is likely to generate significant environmental and social benefits including improved water quality of the affected Malir River and coast; availability of safe, reliable and predictable water supply and sewerage services; and improved health and hygiene. Women and children are especially expected to benefit from the project since they suffer most from poor or lack of basic urban services. The potentially adverse environmental impacts during the construction phase will mostly be temporary and reversible. The adverse environmental impacts during the operation phase including those of the sewage treatment plants are manageable. The mitigation measures and management plans to address the adverse impacts will be included in the ES instruments.</p>

	<p>Larger infrastructure investments will require land acquisition and may involve resettlement in addition to involuntary economic displacement and temporary negative livelihood impacts during construction. These impacts and any legacy impacts will be addressed through RPs.</p> <p>The project is investing in energy efficient improvements which will contribute to climate change mitigation. Improvements in water and sewer systems are also critical to successful climate change adaptation.</p> <p>Consultations will be carried out with a wide range of stakeholders (communities and institutional stakeholders) for this Project. A Stakeholder Engagement Plan (SEP) will be prepared to guide the process. The ES documentation will be disclosed by KWSB and WB on their websites. A link to these websites will be posted on the AIIB website. The executive summaries of the documents will be translated into Sindhi and disclosed locally in hard copy.</p> <p>The established Grievance Redress Mechanism will be updated and adapted to this Project in line with the requirements of the WB's ESF and included in the SEP.</p>			
Cost and Financing Plan	Loans/Credits/Others		Amount	
	Borrower		120.00	
	AIIB		240.00	
	World Bank		240.00	
	Total		600.00	
Borrower	Islamic Republic of Pakistan			
Implementing Entity	Provincial Government of Sindh			
Implementing Agency	Karachi Water and Sewerage Board (KWSB)			
Estimated date of loan closing (SBF)	December 2027			
Contact Points:	AIIB	World Bank	Borrower	Implementation Agency
Name	Ghufran Shafi	Andreas Rohde	M. Aslam Chaudhary	Ayub Shaikh
Title	Senior Investment Operations Specialist	Senior Sanitary Engineer	Joint Secretary, Economic Affairs Division	Director, KWSB

Email Address	gshafi@aiib.org	arohde@worldbank.org	aslam26@gmail.com	ayuri43@yahoo.com
Date of Concept Decision	Nov. 13, 2020			
Estimated Date of Financing Approval	December, 2021			

Independent Accountability Mechanism	<p>As noted above, the WB's ESF will apply to this project instead of AIIB's ESP. Pursuant to the Bank's agreement with the WB, AIIB will rely on the WB's corporate Grievance Redress Service (GRS) and its independent accountability mechanism, the Inspection Panel, to handle complaints relating to ES issues that may arise under the project. Consequently, in accordance with the Bank's Policy on the Project affected People's Mechanism (PPM), submissions to the PPM under this project will not be eligible for consideration by the PPM. Information on WB's corporate GRS is available at https://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service. Information on WB's Inspection Panel is available at http://www.inspectionpanel.org.</p>
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