

Pakistan : Khyber Pakhtunkhwa Intermediate Cities Improvement Project

1. Project Information

Project ID:	P000214	Instrument ID:	L0214A
Member:	Pakistan	Region:	Southern Asia
Sector:	Urban	Sub-sector:	Urban integrated development
Instrument type:	<input checked="" type="checkbox"/> Loan:171.70 Euro million <input type="checkbox"/> Guarantee	Co-financier(s):	Asian Development Bank
ES category:	A	Borrowing Entity:	Ministry of Finance, Pakistan
Implementing Entity:	Government of Pakistan		
Project Team Leader:	Ghufran Shafi (Responsible DG: Gregory Liu; Responsible Department: INF2)		
Project Team Members:	Bernardita Saez, Project Counsel; Liu Yang, Alternate Counsel; Shonell Robinson, OSD - Financial Management Specialist; Zhixi Zhu, OSD - Environment Specialist; Georgi Georgiev Dzhartov, OSD - Social Development Specialist; Yangzom Yangzom, OSD - Procurement Specialist		
Completed Site Visits by AIIB:	Aug, 2022 July 31 - August 3, 2022		
Planned Site Visits by AIIB:			
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:			
Previous Red Flags Assigned Date:			

2. Project Summary and Objectives

The Project objectives are to improve access to reliable and resilient urban services and strengthen institutional capacities of urban service providers and local governments in selected cities of the KP province. These objectives will be achieved through three interlinked outputs: (i) climate resilient and gender friendly urban infrastructure and services improved; (ii) institutional capacity and gender inclusiveness of urban service providers, provincial government, and city governments strengthened; and (iii) women's participation in urban governance and access to economic opportunities increased.

3. Key Dates

Approval:	Dec. 16, 2021	Signing:	Apr. 11, 2022
Effective:	May. 11, 2022	Restructured (if any):	
Orig. Closing:	Jun. 30, 2028	Rev. Closing (if any):	

4. Disbursement Summary (EUR million)

Contract Awarded:		Cancellation (if any):	0.00
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Disbursed:	0.86	Most recent disbursement (amount/date):	738,133.00/Sep. 26, 2022
Undisbursed:	170.84	Disbursement Ratio (%) ¹ :	0.50

5. Project Implementation Update

AIIB loan was recently made effective in May 2022. Key actions have been taken for smooth project start-up. Designated Accounts for loans' proceeds have been opened. PMU has been established and a full time Project Director has been appointed in Project Management Unit (PMU). Hiring of staff for City Implementation Units (CIU) to be established within each participating Water and Sanitation Services Company (WSSC) is in progress. This is need-based hiring to strengthen the implementation capacity of each WSSC. The condition for withdrawal from loan and grant accounts has been satisfied. Initial set of disbursements have been made (to support the payments of engineering consultants and advance for construction contractors)

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component A. Water Supply and Sanitation Infrastructure	Procurement has started. See updates in Procurement Section	Most of the assigned technical, environmental and social positions in the PMU are filled and the remaining technical positions will be filled soon. The Environmental and Social documents for the sub-components which are under procurement have been completed, while the Land Acquisition and Resettlement Plan (LARP) for Mingora Greater Water Supply Scheme sub-component is being updated.	The project has initiated procurement under advance contracting of multiple civil work contracts to improve implementation readiness. Civil works contracts for improvement of water supply system (CW-02: Improvement / Construction of Water Supply System in Peshawar, Abbottabad and Kohat); sewerage systems (CW-03: Sewerage System including New Sewage Treatment Plant at Kohat and Mardan); and Mingora water supply (CW-04: Mingora Greater Water Supply Scheme) are under procurement.
Component B. Integrated Solid Waste Management	The implementation of Solid Waste Management (SWM) Systems in all cities with associated SWM fleet and equipment will commence after the submission and approval of the Business Plans that are presently being drafted for each city by the institutional reforms and capacity	The Corrective Action Plan or the LARPs for the landfill subcomponents are being updated.	Procurement has not started yet. Tendering would commence after business plans for SWM facilities for each city have been approved

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.

	building (IRCB) consultants. These Business Plans will also provide options for Operations and Maintenance (O&M) of the SWM facilities in the specific context of each city.		
Component C: Green Urban Infrastructure	See updates in procurement section	Environmental and Social instruments have been prepared and disclosed	The procurement of civil works contracts for development of urban green spaces and parks (5 lots) was initiated under advance contracting. Contracts have been awarded.
Project Management	See updates in procurement section	NA	Project Management and Construction Supervision Consultants (PMSCS) have been engaged under this component and PMSCS has mobilized.

Financial Management:

No Issues

6. Status of the Grievance Redress Mechanism (GRM)

The Grievance Redress Committees (GRC) at field level, at DC Office level and at Local Government Election and Rural Development Department level have been notified.

7. Results Monitoring

N.A

Project Objective Indicators #1

Population provided with access to improved safely managed water supply from sources meeting national water quality standards

Year	Target	Actual	Comments, if any
Dec. 30, 2028	800000	NA	

Project Objective Indicators #2

Population served by sewerage network connected to new wastewater treatment plant

Year	Target	Actual	Comments, if any
Dec. 30, 2028	180000	NA	

Project Objective Indicators #3

Households provided with access to improved SWM services

Year	Target	Actual	Comments, if any
Dec. 30, 2028	250000	NA	

Intermediate Result Indicators #1

Supply Capacity: Potable water storage and supply capacity increased (cubic meters/day)

Year	Target	Actual	Comments, if any
Dec. 30, 2028	400000	NA	

Intermediate Result Indicators #2

Water Infrastructure Upgrade: Water pipelines rehabilitated/installed (kilometers)

Year	Target	Actual	Comments, if any
Dec. 30, 2028	1750	NA	

Intermediate Result Indicators #3

Sewage treatment: Cumulative sewage treatment capacity achieved (cubic meters/day)

Year	Target	Actual	Comments, if any
Dec. 30, 2028	30000	NA	

Intermediate Result Indicators #4

SWM services: Solid waste treatment capacity achieved (daily tons)

Year	Target	Actual	Comments, if any
Dec. 30, 2028	2000	NA	

Intermediate Result Indicators #5

Gender friendly urban spaces established/improved (square km)

Year	Target	Actual	Comments, if any
Dec. 30, 2028	1.6	NA	

Intermediate Result Indicators #6

Performance/service benchmarks for key urban services developed and approved for 5 WSSCs

Year	Target	Actual	Comments, if any
Dec. 30, 2028	5	NA	

Intermediate Result Indicators #7

Nonrevenue water reduced

Year	Target	Actual	Comments, if any
Dec. 30, 2028	20	NA	

Remarks:

The targets are end of project targets. Annual targets will be populated when the result monitoring has commenced.
