

Project Summary Information (PSI)

Project No: 000162

Project Name	Karachi Bus Rapid Transit Project
Country	Islamic Republic of Pakistan
Sector	Transport/Urban Transport
Project No	000162
Borrower	Islamic Republic of Pakistan
Implementation Agency	TransKarachi
Environmental and Social Category	Category A
Date of PSI prepared or updated	March 20, 2019
Estimated Date of Board Consideration	December 2019
Concept Decision	October 16, 2018

I. Introduction

Pakistan is a highly populated country with a total population of 207 million people and a projected population of 341 million by 2050. Pakistan's Gross Domestic Product (GDP) stood at USD305 billion in 2017 with a per capita GDP of USD1,547. Its GDP growth rate has increased from 1.6 percent in 2010 to 5.7 percent in 2017. Despite the country's economic growth, 38.8 percent of the population is still experiencing multi-dimensional poverty.

Karachi is the capital of the province of Sindh. It is the largest city of Pakistan, where its main seaport as well as its economic and financial center are located. Karachi generates 12-15 percent of Pakistan's GDP. In the 2017 census, Karachi's population was estimated at 14.9 million, and 23 million in the metropolitan area. In the last two decades, Karachi has been able to nearly retain its very high population density of 282 persons per hectare despite an annual increase in its urban extent of 2.2 percent. This has put an increasing strain on existing infrastructure in all sectors, causing Karachi to be consistently ranked as one of the world's most unlivable cities. Traffic congestion and induced air and noise pollution play a major role in these poor rankings.

Karachi's current transportation system cannot be considered fit for purpose. It is characterized by long commuter trip times, the rise of private and paratransit modes, weak traffic management and the decline of public transport. Services are currently provided by informal paratransit vehicles and about 4,000 privately-owned and operated buses, serving 2.8 million passengers daily. These weakly regulated services are irregular and lack designated schedules, stops, and customer standards.

The latest strategic development plan for Karachi, the Karachi Strategic Development Plan 2020, prepared in 2007, formulated a growth strategy including the expansion of the urbanized areas to a great extent to accommodate future population growth. Concurrently, the plan proposed the development of a convenient public transport system including Light Rail Transit LRT and Bus Rapid Transit (BRT). From 2008 to 2012, Government of Sindh, supported by the Japanese International Cooperation Agency, developed the Karachi Transportation Improvement Project, consisting of a comprehensive transport masterplan for 2030 and a feasibility study for two high priority projects: the Green and Red Line BRT corridors.

II. Project Objectives and Expected Results

The objective of the Project is to provide an efficient and sustainable public transport system in Karachi by delivering the city's Red Line BRT corridor. The proposed Project will directly benefit an estimated 1.5 million people living within 1 km radius from the BRT corridor and off-corridor services. The primary beneficiaries

are passengers on existing privately-owned and operated bus lines, and new passengers expected to switch from private cars and motorcycles to the new BRT system. Women and girls, in particular, will benefit from enhanced mobility and safety. The Project will also improve air quality in the city and reduce net GHG emissions compared with private modes of transport.

III. Project Description

The Project consists of two components: (i) Construction of Karachi Red Line BRT Corridor and Associated Facilities; and (ii) Establishment of BRT Operations.

Component A: Construction of Karachi Red Line BRT Corridor and Associated Facilities. The 28 km main corridor will be restructured over its entire width ("façade-to-façade"), including (i) the BRT infrastructure comprising 25 stations and dedicated lanes built at-grade in the median; (ii) the mixed-traffic roadway comprising up to six lanes in each direction; (iii) the non-motorized transport infrastructure comprising bicycle lanes and improved sidewalks along the corridor; and (iv) on-street parking and green areas added in various locations. The additional 2 km section of the common corridor, including 3 stations, will also be remodeled to create a mall for pedestrians and BRT only, with renovation and restoration of historical building façades. The BRT infrastructure will be completed with two depots, one underground staging facility, and off-corridor bus stops.

Component B: Establishment of BRT Operations. The component consists of five subcomponents: (i) institutional development and capacity building of the Sindh Mass Transit Authority (SMTA) and TransKarachi; (ii) the design of the BRT operational plan and business model to achieve low operational subsidies; (iii) the facilitation of a bus industry transition program; (iv) effective project communication, multimedia campaigns and stakeholder engagement; and (v) the procurement of the BRT fleet, a biogas plant, a fare collection system, intelligent transport systems, and a bicycle sharing system.

IV. Environmental and Social Category

The Bank has decided to use ADB's Safeguard Policy Statement (2009) since (i) it is consistent with the Bank's Articles of Agreement and materially consistent with the provisions of the Bank's Environmental and Social Policy (ESP) and relevant Environmental and Social Standards (ESS 1 & 2); and (ii) the monitoring procedures that the ADB has in place to ascertain compliance with its Safeguard Policy Statement are appropriate for the Project. Under ADB's Safeguard Policy, this Project has been classified as Category A for environment and Category A for involuntary resettlement. In light of the Bank's Environmental and Social Framework, this Project has been assigned Category A taking into account environmental and social impacts and risks.

Major negative environmental and social impacts of the Project are likely to be site-specific, mostly temporary, and likely limited to the Project areas and surroundings. To address these impacts, Transport and Mass Transit Department (TMTD) has conducted an Environmental Impact Assessment (EIA), which includes an Environmental Management Plan (EMP). Adequate mitigation measures and climate adaptation measures have been incorporated into the project design and will be implemented together with additional mitigation measures developed in the EMP for the pre-construction, construction and operation phases.

It is expected that the Project will displace some small businesses and minor parts of privately-owned permanent commercial structures that exist in the existing right of way. These micro businesses will need to be initially relocated to temporary alternative locations during the construction phase and eventually to permanent formal vending spaces that will be included in the project design. A draft Resettlement Plan (RP) and a gender action plan have been prepared in consultation with the affected persons and relevant agencies. These will be updated following the completion and approval of the detailed design of the Project.

A three-tier Grievance Redress Mechanism (GRM) has been established and implemented by the current PIU.

The EIA and RP documents are available on the following ADB's website:

<https://www.adb.org/projects/47279-002/main>

V. Estimated Project Cost and Financing Plan (in USD million)

Total Project Cost:	582.5	Total AIIB Financing:	100
Loans/Credits/Others		Amount	
Borrower		92.5	
AIIB		100.0	
ADB*		390.0	
Total		582.5	

* AFD's participation in loan co-financing (USD100 million) is under discussion. The Government of Sindh has expressed its interest to apply to the Green Climate Fund for potential grant financing of the Project's climate change adaption components (USD50 million). If such co-financing materializes, ADB's financing amount will be reduced accordingly.

VI. Implementation

The Project will be implemented by TransKarachi.

ADB will be the lead financier of the Project and will play a leading role in procurement, environmental and social compliance, and project monitoring and reporting for the Project. For further Project details, please see the following ADB's website:

<https://www.adb.org/projects/47279-002/main#project-overview>

The procurement will be conducted in accordance with ADB's Procurement Guidelines (2015, as amended from time to time) along with universal procurement for all procurement packages to be financed by ADB and the Bank.

Expected project implementation period (Start Date and End Date): January 2019 – December 2022

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