

Pakistan: Karachi Bus Rapid Transit Red Line Project

1. Project Information

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|-----------------------------------|--|-------------------|-------------------------------|
| 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 | 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: | Supee Teravaninthorn | | |
| Responsible Department: | INF2 | | |
| Project Team Members: | Zhixi Zhu, OSD - Environment Specialist; Liu Yang, Project Counsel; Yogesh Malla, OSD - Financial Management Specialist; Georgi Georgiev Dzhartov, OSD - Social Development Specialist; Bernadette Ndeda, OSD - Procurement Specialist; 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. | | |
| 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: | 2021/12 | | |

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): | |

4. Disbursement Summary (USD million)

| | | | |
|-------------------|-------|---|--------------------|
| Contract Awarded: | | Cancellation (if any): | 0.00 |
| Disbursed: | 3.03 | Most recent disbursement (amount/date): | 1.52/Apr. 18, 2022 |
| Undisbursed: | 68.77 | Disbursement Ratio (%) ¹ : | 4.22 |

5. Project Implementation Update

The loan became effective on 13 April 2021 and the Project is progressing. Total disbursement of \$3.03 million has been made up to date. Procurement activities were undertaken for implementation. On 1 December 2020, proposals were received from the project management and construction supervision consultant (PMSCS) contract. On 16 December 2020, bids were received from two lots of civil works contracts. The PMSCS contract was signed on 23 August 2021 for the amount of US\$9.36 million. The budget and staff organogram for TransKarachi was approved by the Government of Sindh on 28 October 2021. The Lot 1 civil works package was signed on 8 December 2021 for the amount of US\$86.78 million. The Lot 2 civil works package was signed on 4 January 2022 for the amount of US\$100.24 million. Contractor for the Lot 1 has been mobilized. Mobilization advance payment for Lot 2 is in process.

| Components | Physical Progress | Environmental & Social Compliance | Procurement |
|--|--|--|--|
| Component A. Construction of Karachi Red Line BRT Corridor and Associated Facilities | <p>Total physical progress: 0.1%</p> <p>Lot-1: Contractor has taken the soft start and activities regarding traffic diversion, excavation for drainage works, environmental due diligence report, work plan, traffic diversion plan, and mobilization works are in progress.</p> <p>Lot-2: preparation of traffic diversion plan priority section, and mobilization works are in progress.</p> | <p>Environment Permits</p> <ul style="list-style-type: none"> EIA - Main Corridor is approved & disclosed on ADB website since July 2019, SEPA had also accorded NOC October 26, 2020. EIA - Common Corridor is approved & available on ADB website since July 2019, the final EIA will be submitted to SEPA after finalization of the Common Corridor red line BRT design. IEE - Staging Facility is approved & published on ADB website since July 2019, the same will be submitted to SEPA for issuance of NOC after design finalization. <p>External Monitor - Environment</p> <ul style="list-style-type: none"> EM is on board and will submit | Procurement for PMSCS and Civil Works (Lot 1 & Lot 2) completed. |

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.

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|---|---------------------------|--|---|
| | | <p>the inception report by July 2022.</p> <p>Social Permits</p> <ul style="list-style-type: none"> Final RP – Main Corridor developed in June 2019 & updated Implementation Ready Resettlement Plan on November 2021. Draft RP-Common Corridor & Staging Facility is developed based on preliminary design. Social Due Diligence Report for Biogas Plant and approved by ADB. Furthermore, RP draft in progress. <p>External Monitor - Social</p> <ul style="list-style-type: none"> EM hiring process completed and they are in mobilization process. | |
| <p>Component B. Establishment of BRT Operations</p> | <p>In Planning stage.</p> | <p>Environment Permits</p> <ul style="list-style-type: none"> EIA - Main Corridor is approved & disclosed on ADB website since July 2019, SEPA had also accorded NOC October 26, 2020. EIA - Common Corridor is approved & available on ADB website since July 2019, the final EIA will be submitted to SEPA after finalization of the Common Corridor red line BRT design. IEE - Staggering Facility is approved & published on ADB website since July 2019, the same will be submitted to SEPA for issuance of NOC after design finalization. <p>External Monitor - Environment</p> <ul style="list-style-type: none"> EM is on board and will submit the inception report by July 2022. <p>Social Permits</p> <ul style="list-style-type: none"> Final RP – Main Corridor developed in June 2019 & updated Implementation Ready Resettlement Plan on November 2021 Draft RP-Common Corridor & Staggering Facility is developed based on preliminary design. Social Due Diligence Report for Biogas Plant and approved by ADB. Furthermore, RP draft in progress. | <p>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> |

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|--|--|--|--|
| | | External Monitor - Social • EM hiring process completed and they are in mobilization process. | |
|--|--|--|--|

Financial Management:

The annual audited project financial statements of FY21 was carried out by the Auditor General of Pakistan. The main comments and inquiries have been noted by GoS and TransKarachi.

6. Status of the Grievance Redress Mechanism (GRM)

The GRM has been established with first two tiers in place, while the third is being approved. Communication materials with contact details and a dedicated help desk have been made available to Project-affected people.

7. Results Monitoring

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.

Project Objective Indicators #1

Number of passengers carried, as measured by the average daily ridership, of whom at least 15% are women (people, million)

| Year | Target | Actual | Comments, if any |
|---------------|--------|--------|------------------|
| Nov. 12, 2019 | N/A | 0 | Baseline |
| Jan. 01, 2024 | 0.32 | N/A | Target |

Project Objective Indicators #2

Increased average bus commercial speeds on the BRT corridor (km/hr)

| Year | Target | Actual | Comments, if any |
|---------------|--------|-----------|------------------|
| Nov. 12, 2019 | N/A | 12.2Km/hr | Baseline |
| Jan. 01, 2024 | 25.0 | N/A | Target |

Project Objective Indicators #3

Reduced GHG (Green House Gas) emissions by using CNG (Compressed Natural Gas)-hybrid buses (Metric ton of CO₂eq)

| Year | Target | Actual | Comments, if any |
|---------------|--------|--------|------------------|
| Nov. 12, 2019 | N/A | 0 | Baseline |
| Jan. 01, 2024 | 77,979 | N/A | Target |

Intermediate Result Indicators #1

Construction of 22-km main corridor and 2.4-km common corridor (km)

| Year | Target | Actual | Comments, if any |
|------|--------|--------|------------------|
|------|--------|--------|------------------|

| | | | |
|---------------|------|-----|----------|
| Nov. 11, 2019 | N/A | 0 | Baseline |
| Dec. 31, 2023 | 26.6 | N/A | Target |

Remarks:
