### BASIC INFORMATION

#### A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Project ID</th>
<th>Parent Project ID (if any)</th>
<th>Project Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pakistan</td>
<td>P166732</td>
<td></td>
<td>Karachi Urban Mobility Project (P166732)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region</th>
<th>Estimated Appraisal Date</th>
<th>Estimated Board Date</th>
<th>Practice Area (Lead)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOUTH ASIA</td>
<td>Apr 15, 2019</td>
<td>Jun 27, 2019</td>
<td>Transport</td>
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</table>

<table>
<thead>
<tr>
<th>Financing Instrument</th>
<th>Borrower(s)</th>
<th>Implementing Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Project Financing</td>
<td>Ministry of Finance-Economic Affairs Division</td>
<td>Sindh Mass Transit Authority</td>
</tr>
</tbody>
</table>

#### Proposed Development Objective(s)

The Project Development Objective is to improve mobility, accessibility and safety along selected corridors in Karachi.

### PROJECT FINANCING DATA (US$, Millions)

#### SUMMARY

<table>
<thead>
<tr>
<th>Total Project Cost</th>
<th>550.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Financing</td>
<td>550.00</td>
</tr>
<tr>
<td>of which IBRD/IDA</td>
<td>400.00</td>
</tr>
<tr>
<td>Financing Gap</td>
<td>0.00</td>
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</table>

#### DETAILS

**Private Sector Investors/Shareholders**

<table>
<thead>
<tr>
<th>Equity</th>
<th>Amount</th>
<th>Debt</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Government Contribution</td>
<td>100.00</td>
<td>IFI Debt</td>
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</tr>
<tr>
<td>Government Resources</td>
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<td>IBRD</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Commercial Debt</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Unguaranteed</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.00</td>
<td></td>
<td>450.00</td>
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</table>
B. Introduction and Context

Country Context

Pakistan is the world’s sixth most populous country with 207 million people, and is the most urbanized large country in South Asia. According to official statistics, 36 percent of the population is urban. Estimates based on the Agglomeration Index, however, indicate that Pakistan has already crossed the 50 percent urbanization mark. Sindh is the most urbanized province of the country with 52 percent of the population living in urban areas. One-third of urban dwellers in Pakistan live in Sindh, with a majority of those (two-thirds) living in Karachi.

Karachi is the largest metropolitan area in Pakistan, with 16 million population (as per Population Census 2017), which has grown from 11.3 million in 1998. It is the country’s economic and financial hub and main sea port, contributing almost 15 percent of the national GDP as well as substantial tax revenues. Although the poverty rate is low (9 percent), the absolute number of poor people is high: one-tenth of all poor in Sindh live in Karachi. Nighttime light intensity in Karachi’s center suggests a decline in competitiveness and economic productivity. But there is high potential for economic growth and poverty reduction due to the city’s primacy, strong economic base and sound locational characteristics. The Karachi metropolitan area covers 3,600 square km, with a built-up area of approximately 1,600 square km. The Karachi Metropolitan area includes six districts, divided into eighteen towns and 178 Union Councils (UCs). Additionally, there are six cantonments areas, and the Defense Housing Authority (DHA), which also plays a significant role in the development of Karachi.

Sectoral and Institutional Context

Institutional Context

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2 Population of entire Karachi Division (6 districts), as per Population Census 2017 (Pakistan Bureau of Statistics). Various unofficial sources estimate the city’s population to be higher.
3 Unofficial estimate (2017) by World Bank Poverty Global Practice, based on revised national poverty line.
In Karachi, urban infrastructure and service delivery is fragmented among national, provincial and local governments. In recent years, many core city services have been centralized under the Government of Sindh (GoS) like solid waste, water and sewerage, mass transit, land use and building control, among others. Local councils represented by Karachi Metropolitan Corporation (KMC) and the six District Municipal Corporations (DMCs) deliver basic services in Karachi, but suffer from limited financial resources and institutional and governance weaknesses. This institutional fragmentation and unclear or overlapping responsibilities have led to a deteriorating situation where basic urban services are not even delivered.

Multiple government departments and authorities are dealing with transport in the city with little coordination among them. Various bodies—such as the National Highway Authority, GoS, KMC, DHA, and cantonments—administer roads in Karachi. KMC is responsible for the administration of over 40 percent of roads in the city. The Transport and Mass Transit Department is the principal planning, regulatory, and implementing body of GoS responsible for dealing with all urban transport matters at the provincial level. Currently, responsibilities for major roads transport and traffic management within the city are shared between two departments of the KMC—Work and Services as well as Transport and Communications. Fares for public transport are regulated by the Transport and Mass Transit Department under GoS. The District Regional Transport Authority (DRTA) issues route permission for public transport in Karachi. However, the decision making for the permission is governed by a board, with representation from the police, city government, and Provincial Transport Authority and DRTA. The public-private partnership (PPP) unit of the GoS is also assisting the Transport and Mass Transit Department in the development of mass transit initiatives in Karachi.

The Mass Transport Authority act of 2014 created the Sindh Mass Transit Authority (SMTA) but it was only initiated in early 2017. The Authority has just been made functional and is currently under resourced. It has yet to build sufficient human and other resources to plan and implement a mass transit system in Karachi.

**Sectoral Context**

Citizens of Karachi rely almost entirely on the road network for travel within the city. The city has approximately 10,000 kilometers of roads, with local roads accounting for 93 percent and highways and arterial roads for less than 5 percent of the total length. Karachi has also six arterial or trunk roads that extend radially from the central area. There is currently no mass transit system per se. There are nearly 13.5 million motorized trips made each day within the city, of which about 42 percent are made by public and 58 percent by private transport. There were 3.6 million registered vehicles in Karachi as of mid-2015 (over 30 percent of the national total), and private vehicles—mainly motorcycles and cars—constitute about 84 percent of total registered vehicles, while public transport accounts for 4.5 percent of the total registered vehicles. With growth rates for private vehicles at over 4 percent, there are now over 1,000 new vehicles added to the streets of the city each day. There are over 12,000 public transport vehicles (including buses, minibuses, and coaches) serving 267 routes in the city. Since 2010, the number of minibuses has decreased from about 22,000 to less than 10,000 in 2017.

Women have a particularly low economic participation rate in Karachi, only 8%, due to the lack of affordable, safe and secure transport that they can use. The Government of Sindh has addressed this issue in its “Vision 2025” plan which targeted a 45% economic participation for women. This will require massive improvements in public and non-motorized transport suitable for their use.

The analysis of household data collected in a JICA-sponsored study indicates that jobs in Karachi are highly concentrated
within the inner city. These centrally located jobs are often high skill, “white collar” jobs while employment opportunities for people with much lower skills and education requirements are much more dispersed. As the city expands to accommodate a growing population, the poor increasingly live at the periphery. Travel from their low density, sprawling housing locations in the far suburbs to the equally spread out locations with suitable employment opportunities is costly and time consuming. This limits employment possibilities for the poor, especially women. Karachi’s extremely high vulnerability to natural and climate-related disasters, including recurrent floods (due to poor drainage) and future sea level rising, adds another layer of complication to its urban mobility challenges.

As part of the study for Karachi Transportation Improvement Project known as JICA Master Plan of 2012, a Karachi Urban Transport Master Plan (KUTMP 2030) was developed. KUTMP included projects in the road sector as well, including 33 projects along arterial roads with total length of 306 km and maintenance of existing roads. KUTMP has also identified priority mass transit projects that Karachi needs to undertake to overcome the looming urban mobility crisis. These recommendations focus on immediate and future needs for which implementation steps are to be taken. KUTMP proposed 2 Metro Rail Transit (MRT) Lines (KCR and KCR extension), 4 Light Rail Transit (LRT) Lines (Blue, Brown, Yellow and Silver), and 5 BRT Lines (Green, Red, Orange, Purple and Aqua). KUTMP prioritized the implementation of the KCR, and the Green, Orange, Red, Blue and Yellow Lines. Due to financial consideration, the GoS decided to implement all 5 of the highest priority lines as BRT.

Relationship to CPF

This project will contribute to the achievement of the outcome of Pillar 3 of the Country Partnership Strategy FY15-19 which is improving infrastructure to support growth and is directly linked to result 3.4, improving urban/municipal infrastructure and services.

The World Bank has recently proposed a Transformation Strategy for the City of Karachi following a comprehensive diagnostic analysis. The Karachi city diagnostic analysis underlined the structural nature of problems the city faces as it tries to improve its economy, livability, and inclusiveness. Failing to tackle these challenges in a timely and systematic manner would further exacerbate the urban infrastructure and service deficit in the city. A comprehensive programmatic, strategic, and phased approach is needed. Such an approach is fully aligned with the Karachi Strategic Development Plan (KSDP) 2020 and would consist of four tracks. This proposed project falls under Track 4 which calls for expenditures aimed at improving access to and the quality of service delivery, in such areas as water and sanitation civil works, urban and municipal road construction and maintenance, municipal solid waste, leveraging built heritage sites, public space development, safety and mobility, and green spaces management with a focus on disadvantaged neighborhoods. This project will also leverage private sector financing to meet Karachi’s infrastructure needs, estimated by the Bank to be US$9 billion–US$10 billion in financing over a 10-year period.

C. Proposed Development Objective(s)

The Project Development Objective is to improve mobility, accessibility and safety along selected corridors in Karachi.

The key results, specific to the Project corridors, are:

4Transforming Karachi into a Livable and Competitive Megacity
http://dx.doi.org/10.1596/978-1-4648-1211-8
- Reductions in travel time, particularly for public transport passengers;
- Improvement in public transport quality of service;
- Increase women ridership in public transport;
- Reductions in road traffic fatalities;
- Accessibility improvements for jobs and housing;
- Reduction in CO$_2$ emissions.

D. Concept Description

The proposed project will develop and implement an integrated, comprehensive package of corridor management and infrastructure activities including traffic operations, roadway rehabilitation, public and non-motorized transport improvements with the objective to improve the people (and goods) moving performance of the multi-modal transport system along the corridor. Improvements to the road surface, drainage, waste management and a mass transit system in the form of a Bus Rapid Transit (BRT) will be the center piece of the corridor package. The corridor is one of the five highest priority lines identified in the Karachi Urban Transport Plan and is referred to as the Yellow Line. It is a 22 km long urban arterial starting at Dawood Chowrangi in the east near Landhi and running through Korangi industrial area ending in Numaish at the center of Karachi. It serves a majority of working and labor class in the industrial zones.

The corridor is 50-100 meters wide and has sufficient ROW for introducing a BRT. But the corridor is currently in a very poor condition and lacks drainage facilities. As the industrial part of the city, of particular concern are waste management, dust contamination and flooding during the rainy season. Almost 50 percent of the motorized trips are carried by the old, polluting and over-crowded buses and motorcycles. Improvements to public transport operations and management is expected to transform the way residents view urban mobility.

The private sector will be involved in various project stages, particularly in operations and maintenance. The project will be designed to improve the safe and secure accessibility of women and people with limited mobility to jobs and other economic activities. The project will also focus on climate change adaptation and mitigation measures and other environmental co-benefits by shifting road users from polluting transport modes (e.g. old, poorly maintained buses and motorcycles) to lower carbon modes (e.g. cleaner BRT buses and non-motorized transport), and by providing resilient transport infrastructure and increasing the capacity of authorities to deal with disaster situations.

The proposed project will consist of the following components.

Component 1: Urban Corridor- Road Infrastructure
This component will consist of rehabilitation or reconstruction of road infrastructure and related utilities (e.g. street lighting, sewer/water supply, drainage), traffic management and non-motorized transport facilities along the Yellow Corridor and along the routes of the direct and feeder services. This component will also finance the implementation of the Environmental and Social Management Plans, preparation of detailed designs and bidding documents as well as construction supervision.

Component 2: Development and Operationalization of a Bus Rapid Transit (BRT) System.
This component will finance: a) BRT infrastructure implementation, including segregated bus-ways, interchange facilities, stations and bus shelters, terminal and depots, ITS, facilities for pedestrians, motorcyclists and non-motorized transport; b) BRT system operation and maintenance, c) the implementation of the compensation and livelihood rehabilitation plan,
including labor redeployment services, for the affected existing bus operators including drivers, conductors, owners, and,
d) a program of regular engagement with key stakeholders, and implementation of a public relations and media strategy
for generating support and disseminating information on the BRT system. This component will support SMTA and
TransKarachi bringing the private sector to operate the BRT System, in particular this Component will support GoS in
signing a concession agreement for bus operation and other BRT facilities management.

Component 3: Traffic Management and Road Safety
This component will include investment in an area traffic control system (ATC), in road infrastructure safety, in
enforcement and mass communication, and in crash data collection and management aspects of road safety along the
corridor and other parts of Karachi. A special focus will be given to motorcyclists and pedestrian safety.

Component 4: Capacity Building and Technical Assistance.
This component will finance: a) project management cost including TA for processing compensation/severance payments
and managing labor redeployment services; b) capacity building for KDA and KMC in traffic management and road safety,
c) support to regional transport authority in automating the management and monitoring of bus routes permits; and d)
financing feasibility and design studies for other mass transit corridors in the city.

SAFEGUARDS

A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The BRT Yellow corridor is a 22 km long urban corridor that starts at Dawood Chowrangi east of Karachi, runs along
Korangi Industrial till KPT interchange, merge onto Korangi road and from FTC interchange merge onto Shahrah-e-Faisal
for short distance, then takes a left turn on Sharah-e-Quaideen and ends at Numaish along M.A Jinnah road. This Corridor
serves working and labor class citizens. The Yellow corridor has a wide right of way ranging between 50–100 meters in
most sections.

The corridor connects several industrial, commercial and residential areas. Some of the major industrial areas that
would be serviced by the proposed system are Korangi and Landhi industrial areas near the Project start point at Dawood
Chowrangi. Commercial areas such as Defense Housing Authority (DHA), Tariq Road and Saddar are also located along the
corridor whereas residential areas such as Mansehra Colony, DHA and PECHS also traversed by the proposed project.

The road condition is very poor along this corridor, in particular its east section between Mansehra Colony and Dawood
Chowrangi. The corridor has poor drainage, and solid waste and dust are everywhere.

The proposed projects aims at rehabilitating the infrastructure along the corridor and construct a BRT lane in the middle
of the road. The existing road has three to four lanes in each direction with service road and a median. Construction of
the BRT lane and associated facilities, including the stations, pedestrian bridges, parking and ride facilities and bus parking
bays will not involve new land acquisition. The proposed bus terminals and depot will use vacant government land.

B. Borrower’s Institutional Capacity for Safeguard Policies

Sindh Mass Transit Authority will be the project implementation entity. This institution has been working with ADB
preparing the Red corridor, and is also implementing the Green and Orange Corridors (financed by GoP and GoS
respectively). This institution does have strong technical and administrative capacity in managing such projects. However, this institution does not have experience working on any projects financed by the World Bank. The institution currently does not have personnel managing environmental and social impacts and risks. The capacity of the institution in this regard will be assessed further during project preparation and appraisal, and if necessary, measures will be put in place to enhance their capacity to implement the EMP and the RAP successfully. The Institution will also benefit from support from the environmental and social safeguards specialists in the World Bank team.

C. Environmental and Social Safeguards Specialists on the Team

Chaogang Wang, Social Specialist
James Orehmie Monday, Environmental Specialist
Najm-Ul-Sahr Ata-Ullah, Social Specialist

D. Policies that might apply

<table>
<thead>
<tr>
<th>Safeguard Policies</th>
<th>Triggered?</th>
<th>Explanation (Optional)</th>
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</thead>
<tbody>
<tr>
<td>Environmental Assessment OP/BP 4.01</td>
<td>Yes</td>
<td>The proposed project is expected to have an overall positive environmental impact provided: (i) the expected modal shifts in passenger choice from private vehicular use to public buses take place, as a result of the project, and (ii) the planned buses use cleaner fuels, which together, will then lead to significant reduction of vehicular pollutant emissions into the air. However, construction activities in the short term and land use changes along the corridor in the medium to longer term, if not carefully planned for and managed, may potentially lead to adverse environmental impacts. The project has potential social impacts which includes: a) relocation of 30-40 mobile vendors, b) effect on the livelihood of existing bus operators, c) effect on woman using the BRT system, woman, d) effect on people with limited mobility, and e) road safety. To mitigate these social risks, a Social Impact Assessment will be undertaken by appraisal, resulting in management plans which will be incorporated in the project design (physical and non-physical investments). These potential environmental and social impacts trigger OP4.01 and the appropriate EA category of B has been assigned to the proposed project.</td>
</tr>
</tbody>
</table>
### Performance Standards for Private Sector Activities OP/BP 4.03

<table>
<thead>
<tr>
<th>Standard</th>
<th>Yes/No</th>
<th>Description</th>
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<tbody>
<tr>
<td>Natural Habitats OP/BP 4.04</td>
<td>No</td>
<td>The proposed project will not impact Natural Habitats as defined by the policy.</td>
</tr>
<tr>
<td>Forests OP/BP 4.36</td>
<td>No</td>
<td>The proposed project will not impact Forests as defined by the policy.</td>
</tr>
<tr>
<td>Pest Management OP 4.09</td>
<td>No</td>
<td>This policy is not triggered as the use of pesticides is not envisaged in this project.</td>
</tr>
<tr>
<td>Physical Cultural Resources OP/BP 4.11</td>
<td>TBD</td>
<td>Triggering this policy is to be determined. There are no archeological or cultural or religious sites and relics within the corridor. But chance find procedures will be prepared and be included in EIA and EMP as an annex.</td>
</tr>
<tr>
<td>Indigenous Peoples OP/BP 4.10</td>
<td>No</td>
<td>This policy is not triggered as there are no known indigenous peoples in the project area of influence.</td>
</tr>
<tr>
<td>Involuntary Resettlement OP/BP 4.12</td>
<td>Yes</td>
<td>This policy is triggered as there are vendors within the right of way in some sections along the corridor and some of these vendors will need to be relocated because of the implementation of the project. To mitigate the impacts on these vendors, the Bank Policy on Involuntary Resettlement OP 4.12 will be applied and a compensation and livelihood rehabilitation plan will be prepared.</td>
</tr>
<tr>
<td>Safety of Dams OP/BP 4.37</td>
<td>No</td>
<td>This policy is not triggered as there is no dams involved in the project.</td>
</tr>
<tr>
<td>Projects on International Waterways OP/BP 7.50</td>
<td>No</td>
<td>The proposed project will not impact International Waterways as defined by the policy.</td>
</tr>
<tr>
<td>Projects in Disputed Areas OP/BP 7.60</td>
<td>No</td>
<td>This policy is not triggered as there are no known disputes over the project area</td>
</tr>
</tbody>
</table>

### E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Jan 21, 2019

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

The required safeguard instruments for the proposed project are: (i) EIA (with a comprehensive EMP); (ii) Social Assessment (SA); and (iii) Compensation and Livelihood Rehabilitation Plan. TORs have been prepared and consultants will be hired once the TOR is approved. These instruments will be prepared in three-four months once the consultant contracts are signed. The final reports are expected to be completed and disclosed (both in-country and at the World Bank website) before appraisal planned to take place in February 2019.
CONTACT POINT

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APPROVAL

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