



Project Summary Information

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| Date of Document Updating: Dec. 21, 2021 | |
| Project Name | Khyber Pakhtunkhwa Cities Improvement Project |
| Document Code | PD000214-PSI-PAK |
| Country | Islamic Republic of Pakistan |
| Sector/Subsector | Urban Water and Sanitation, Solid Waste Management, Green Urban Infrastructure |
| Status of Financing | Approved |
| Project Description | <p>The project will support the Government of Khyber Pakhtunkhwa to construct, rehabilitate and revitalize core urban infrastructure, including water supply, sewerage, Solid Waste Management (SWM) and green urban spaces in five provincial cities namely Peshawar, Abbottabad, Kohat, Mardan and Mingora. This will be achieved through three interlinked outputs: (i) climate resilient and gender friendly urban infrastructure and services improved; (ii) institutional capacities of urban service providers strengthened; and (iii) women's role in urban development increased. Project components include:</p> <ul style="list-style-type: none"> • Component A (Water Supply and Sanitation) will improve the coverage and access to water and sanitation infrastructure by augmenting potable water supply and storage facilities, promoting water safety, improving water conservation, upgrading sewerage networks and constructing new sewage treatment facilities. • Component B (Solid Waste Management) will address the gaps in infrastructure and service delivery of SWM by providing collection equipment, vehicle fleets, mechanical/biological treatment facilities and properly designed sanitary landfills. • Component C (Green Urban Infrastructure) will finance the development of green infrastructure and public spaces to promote healthy and sustainable living environments which will include green spaces, de-congestion of city centers, parks, and other nature-based solutions. Gender-equitable activities to promote small enterprises and skills will also be supported. • Component D (Institutional Strengthening and Capacity Building) will strengthen technical and institutional |

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| | <p>capacities of the Water and Sanitation Services Companies, city governments and provincial governments.</p> <ul style="list-style-type: none"> • Component E (Women's Participation in Urban Development) will increase women's participation in urban governance and services and improve their access to economic opportunities. |
| Objective | The objectives of the project 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 Khyber Pakhtunkhwa (KP) province. |
| Expected Results | <p>The project results will be measured through the following indicators:</p> <ul style="list-style-type: none"> (i) Population provided with access to improved safely-managed water supply from sources meeting national water quality standards (numbers, of which 50 percent are females) (ii) Residents' complaints on water supply services to households decreased (iii) Population served by sewerage network connected to new wastewater treatment plant (numbers, of which 50 percent are females) (iv) Households provided with access to improved SWM services (numbers) (v) Residents visiting renovated urban public spaces (numbers, of which 50 percent are females) (vi) Improved financial sustainability of WSSCs to cover O&M costs (Operating Cost Coverage Ratio, OCCR) |
| Environmental and Social Category | Asian Development Bank (ADB) Category A for Environment, A for Involuntary Resettlement and C for Indigenous Peoples (equivalent to Category A if AIIB's Environmental and Social Policy (ESP) were applicable) |
| Environmental and Social Information | <p>The proposed loan is co-financed with ADB, and the project's Environmental and Social (ES) risks and impacts have been assessed in accordance with ADB's Safeguard Policy Statement 2009 (SPS). To ensure a harmonized approach in addressing ES risks and impacts of the project, and as permitted by AIIB's Environmental and Social Policy (ESP), ADB's SPS will apply to the project in lieu of AIIB's ESP. AIIB has reviewed ADB's SPS and is satisfied that: (a) it is consistent with the Bank's Articles of Agreement and materially consistent with the provisions of AIIB's ESP including AIIB's Environmental and Social Exclusion List and relevant Environmental and Social Standards; and (b) the monitoring procedures that are in place are appropriate for the project.</p> <p>The GoKP has prepared a total of four draft Environmental Impact Assessments (EIAs) for the solid waste management sub-projects, eight Initial Environmental Examinations (IEEs) for water supply, sanitation and sewage treatment plants (STPs) and nine stand-alone Environmental Management Plans (EMPs) for green urban space sub-projects, which are</p> |

all categorized as Category C sub-projects. A consolidated Social Due Diligence Report (SDDR) was prepared to screen all the activities for land acquisition and Involuntary Resettlement (IR) impacts. Fourteen of the 24 activities do not cause any Land Acquisition and Resettlement (LAR) impacts or social risks.

The Project is expected to have positive environmental benefits as the subprojects will reduce urban pollution and prevent soil and water contamination. Urban green space interventions will enhance the urban quality with a range of environmental benefits. Adverse environmental impacts due to large-scale construction at multiple geographic locations will be avoided or minimized through appropriate design. Measures to mitigate the remaining impacts are included in the EMPs. The Project adopts viable climate adaptation measures into the designs.

Seven activities out of 24 subprojects require acquisition of approximately 91 acres of private land comprising of about 21 acres of agriculture and about 70 acres waste/barren land. A total of 117 acres of land has already been acquired by the government for another three activities; 115 acres of which is barren land. However, Corrective Action Plans (CAPs) are being prepared to address legacy issues and ensure that these activities are compliant with the requirements of the ADB's SPS. A Gender Action Plan (GAP) has been prepared. The Project directly addresses gender equity through women's participation in urban governance. Performance indicators have also been designed to assess the awareness and consultations reach-out to women and children

Consultation meetings were held with a wide range of stakeholders and the community views were incorporated into the ES documentation as well as subproject designs. All of the ES documents have been disclosed on the websites of ADB^[1] and GoKP^[2] since February 2021. GoKP has also disclosed the Executive Summaries of the ES documentation in the Urdu language at the same website. The links are provided on AIIB website^[3].

A three-tier Grievance Redress Mechanism (GRM) has been established and is now functioning. The information on the GRM has been included in the ES documentation and disclosed to project-affected people and will be further disseminated in the Project brochures prepared (in local languages) in the participating cities.

^[1] <https://www.adb.org/projects/51036-002/main#project-documents>

^[2] <https://kpcip.gov.pk/downloads-publications/>

^[3] <https://www.aiib.org/en/projects/details/2021/approved/Pakistan-Khyber-Pakhtunkhwa-Cities-Improvement-Project.html>

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| Cost and Financing Plan | Loans/Grants | | | Amount |
| | Borrower | | | 65.00 |
| | AIB | | | 200.00 |
| | ADB | | | 380.00 |
| | ADF | | | 5.00 |
| | Total | | | 650.00 |
| Borrower | Islamic Republic of Pakistan | | | |
| Implementing Entity Implementing Agency | Government of Khyber Pakhtunkhwa (GoKP), City Governments and Water & Sanitation Services Companies (WSSC) of participating cities | | | |
| Estimated date of loan approval (SBF) | Dec. 2021 | | | |
| Contact Points: | AIB | ADB | Borrower | Implementation Agency |
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| Date of Concept Decision | Sept. 18, 2020 | | | |
| Date of Appraisal Decision | Sept. 15, 2021 | | | |
| Date of Financing Approval | Dec. 16, 2021 | | | |

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| Independent Accountability | As noted above, the ADB's SPS will apply to this project instead of AIB's ESP. Pursuant to AIB's agreement with the ADB, AIB will rely on the ADB's Independent Accountability Mechanism, the Accountability Mechanism, to handle |
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| Mechanism | complaints relating to ES issues that may arise under the Project. Consequently, in accordance with AIIB'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 ADB's Accountability Mechanism is available at: https://www.adb.org/site/accountability-mechanism/main . |
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