



## Project Data Sheet

Project 48402-001

### Project Name

National Motorway M-4 Gojra-Shorkot Section Project

### Project Number

48402-001

### Country / Economy

- Pakistan

### Project Status

Closed

### Project Type / Modality of Assistance

- Grant
- Loan

### Source of Funding / Amount

Grant 0440-PAK: National Motorway M-4 Gojra" Shorkot Section Project

<b>Source</b>	<b>Amount</b>
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Department for International Development	US\$ 92.00 million
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Loan 3300-PAK: National Motorway M-4 Gojra"Shorkot Section Project

<b>Source</b>	<b>Amount</b>
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Ordinary capital resources	US\$ 178.00 million
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Grant 0482-PAK: National Motorway M-4 Gojra"Shorkot-Khanewal Section Project -  
Additional Financing

<b>Source</b>	<b>Amount</b>
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Department for International Development	US\$ 34.00 million
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Loan 3395-PAK: National Motorway M-4 Gojra"Shorkot-Khanewal Section Project -  
Additional Financing

<b>Source</b>	<b>Amount</b>
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Ordinary capital resources	US\$ 100.00 million
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Loan 8308-PAK: National Motorway M-4 Gojra"Shorkot-Khanewal Section Project -  
Additional Financing

<b>Source</b>	<b>Amount</b>
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Asian Infrastructure Investment Bank	US\$ 100.00 million
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### Strategic Agendas

- Inclusive economic growth
- Regional integration

## Drivers of Change

- Governance and capacity development
- Partnerships

## Sector / Subsector

- **Transport** / Road transport (non-urban)

## Gender

No gender elements

## Description

The proposed project will construct a 62-kilometer (km) four-lane, access-controlled motorway connecting Gojra and Shorkot in Punjab Province, and improve the institutional capacity of the National Highway Authority (NHA), particularly for managing safeguards and contracts. The project will facilitate northsouth connectivity, improve quality and efficiency of road transport services, and promote inclusive economic growth.

## Project Rationale and Linkage to Country/Regional Strategy

In Pakistan, the transport sector contributes about 10% to the gross domestic product (GDP). It is estimated that 2.3 million people (about 6% of the total employed labor force of Pakistan) earn their livelihoods from this sector. Road transport dominates Pakistan's transport system, accounting for almost 96% of freight traffic in ton-kilometers and 92% of passenger traffic in passenger-kilometers. Much of the country's 12,500 km national highway network was built before the 1950s. About 75% of it consists of two-lane undivided roads of 67 meters (m) in width. With a growing economy fueled mainly by growth in manufacturing and a relatively high population growth, traffic demand is on the rise. However, slow-moving trucks and nonmotorized traffic, poor road conditions, and frequent truck overloading are impeding the efficiency and safety of road transport. To reduce the traffic load on the heavily used national highways, the government began in the 1990s to build high-speed, fully access-controlled national motorways with four or more lanes. To date, around 900 km of the planned 2,800 km are operational.

Pakistan's domestic investment and trade flows concentrate on one major northsouth transport corridor, which connects the key centers of economic activity. Comprising national highways and motorways with a total length of about 1,800 km, the corridor runs from the port city of Karachi in the south, passes through primary production and population centers such as Khanewal, Multan, Muzaffargarh, Lahore, Faisalabad, Islamabad, and Peshawar, before reaching Torkham, on the northern border with Afghanistan. The economy of the area served by the corridor accounts for 80%85% of Pakistan's GDP. As a result of Pakistan's accession to the Central Asia Regional Economic Cooperation (CAREC) Program in 2010, this transport corridor now forms an integral part of the CAREC corridors 5 and 6, opening a vital trading link between landlocked Central Asian nations and the country's warm-water ports of Gwadar, Karachi, and Port Qasim on the Arabian Sea.

The motorway M-4, connecting Faisalabad with Multan, will be a part of the northsouth transport corridor. Its area of influence, which includes Faisalabad, Multan, and the entire Punjab Province, accounts for about 56% of the country's population and for

59% of the country's GDP. The M-4 will extend the already completed M-1, M-2, and M-3 motorways southward and shorten the distance between Multan and the twin cities of Islamabad and Rawalpindi in the north. The FaisalabadGojra section (58 km) of the M-4 was completed in 2014 under Asian Development Bank (ADB) financing, and the KhanewalMultan section (57 km) will be completed in 2015 under financing from the Islamic Development Bank.

The proposed project will finance the construction of the 62 km GojraShorkot section. Achievement of its full benefits will depend on the completion of the remaining 64 km ShorkotKhanewal section, which is currently anticipated to be financed through additional financing of the project in 2016. Upon completion, the new M-4 will provide a four-lane, access-controlled alternative to the existing narrow and congested routes, notably in the heavily trafficked Faisalabad and KhanewalMultanMuzaffargarh areas.

The national highway N-5 is part of the northsouth transport corridor, and Pakistan's longest and most important highway. Its section between Lahore and Multan is a four-lane road through highly urbanized areas carrying an average daily traffic volume of 20,000 vehicles. Currently, the majority of long-distance traffic from Karachi to Islamabad and onward leaves the N-5 after Multan to use the local road network before reaching the M-2. These two-lane roads are unsafe, having at-grade access points from local dwellings and businesses throughout. The completed M-4 will attract most of this long-distance traffic and also divert traffic from the N-5, which will help alleviate congestion on that road. Overall, the M-4 will provide an efficient international link between the north of Pakistan and beyond, and southern Punjab, Sindh, and the ports of Karachi and Gwadar in southern Pakistan.

Vision 2025 envisages modernization of transport infrastructure and greater regional connectivity as one of the seven pillars to achieve its stated medium-term goals. The project is consistent with the strategic goals and government priorities. An enhanced northsouth corridor will reduce the time and cost of moving goods and people along the entire logistic and supply chain, removing one of the key constraints to raising competitiveness, attracting private sector investment, increasing productivity, as well as deepening and diversifying the industrial base, all of which are essential for providing sustainable jobs to a growing population. The project is also consistent with ADB's country partnership strategy, 20152019 for Pakistan and fits with ADB's Midterm Review of Strategy 2020, supports the CAREC Transport and Trade Facilitation Strategy 2020, and is included in ADB's country operations business plan, 20152017 for Pakistan.

The investment demand to bring Pakistan transport infrastructure on a sustained growth trajectory is huge. ADB is mobilizing additional resources to complement its own and, in June 2015, secured a grant contribution of

262 million over 20152020 from the Government of the United Kingdom to the development of the Pakistan Economic Corridors Program. The main focus of the program is to finance strategic sections of the CAREC corridors in Pakistan, which is fully aligned with Pakistan's Vision 2025, the CAREC Transport and Trade Facilitation Strategy 2020, and ADB's strategic objectives.

ADB's leading role in Pakistan's road sector development has yielded lessons: keep project designs simple; limit the number of components and implementing agencies to a manageable level; make sure that cost estimates are realistic and that sufficient

counterpart funds are made available; and adopt realistic timeframes for land acquisition and resettlement of affected people. These lessons are adequately incorporated in the design of this project.

## Impact

Modernization of transport infrastructure and greater regional connectivity to support a vibrant and growing economy (Pakistan Vision 2025)

## Project Outcome

### Description of Outcome

An efficient and safer transport corridor between Islamabad, Faisalabad, and Multan that enhances connectivity between the various parts of the country

### Progress Toward Outcome

Compliance to safeguards monitoring and reporting are being monitored. ADB safeguards team is also assisting the EA on safeguards matters. The EA is regularly submitting environment impact assessments and social monitoring reports.

## Implementation Progress

### Description of Project Outputs

1. 62 km of four-lane, access-controlled motorway connecting Gojra and Shorkot constructed and operational
2. Safeguard and contract administration capacity of the NHA strengthened.

### Status of Implementation Progress (Outputs, Activities, and Issues)

This is being monitored through safeguards monitoring reports. Achievements will be assessed upon project completion.

This is being monitored and assessed.

Contractors commenced road civil works in April 2016. Road construction is underway.

### Geographical Location

Gojra, Shorkot

## Safeguard Categories

### Environment

A

### Involuntary Resettlement

A

### Indigenous Peoples

C

## Summary of Environmental and Social Aspects

### Environmental Aspects

The M-4 alignment passes through undisturbed agricultural land. In 2007, as required by ADB's Environment Policy (2002), an environmental impact assessment (EIA) report was prepared and approved for the entire M-4. Subsequently, the EIA report was updated to meet the requirements of ADB's Safeguard Policy Statement (2009) and new national legal requirements, and disclosed on ADB's website in July 2014. The revised EIA incorporates environmental management costs, new public consultations, and also includes an assessment of the cumulative impacts of the complete M-4 motorway project. This updated EIA was posted on ADB's website in August 2015. The project design has factored in climate change risks and mitigation measures as well as community concerns.

The environmental impacts identified are largely concentrated in the construction phase. Soil erosion, dust, and noise impacts are likely to be significant. Noise impacts will persist into the operational phase. The environmental management plan (EMP) includes measures to minimize anticipated impacts during construction and operation. Prior to construction, contractors will update the EMP into a site-specific environmental management plan (SSEMP). The SSEMP will be based on a risk assessment approach to select impact- and site-appropriate mitigation measures such as barriers for construction and operational noise. The construction supervision consultant, the EALS Division of the NHA, and ADB will closely monitor the implementation of the SSEMP. The NHA will submit semiannual environmental monitoring reports to ADB for disclosure on the ADB website.

The Environment, Afforestation, Land, and Social (EALS) Division is headed by a General Manager and supported by the Director (Environment) who is in charge of EMP implementation, and three Deputy Directors. The Deputy Director for this project will make sure that the provisions of the SSEMP are implemented. Capacity building at the EALS environment subdivision, and of the contractors and supervision consultants will also be conducted by ADB's Central and West Asia Department, through its ongoing TA for Sustainable Environmental Management of Projects in Central and West Asia.

### Involuntary Resettlement

The project will affect 36 villages and 3,674 households by displacing 26,762 people. Of these, 213 people in 29 households will either be physically displaced or lose 10% or more of productive assets. Land acquisition and resettlement activities have been substantially completed. The NHA has prepared and submitted to ADB the final land acquisition and resettlement plan (LARP) based on the detailed design and an external land valuation study. The LARP was disclosed on ADB's website on 15 July 2015. Public consultation and information disclosure were undertaken while preparing the LARP, including displaced people and the communities along the project road. Consultation and information sharing will continue throughout project implementation.

Resettlement activities will be managed and implemented by the NHA, through PIU, and supported by the EALS Division and the social safeguard management consultant. The PIU has demonstrated capacity for implementing involuntary resettlement. A

functioning grievance redress mechanism has been established. Internal monitoring reports will be prepared by the PIU and social safeguard management consultant, and included in the quarterly progress reports of the supervision consultant. A qualified and experienced external monitoring agency will verify the executing agency's monitoring reports, monitor LARP implementation, identify issues, and recommend corrective measures.

#### Indigenous Peoples

The project road is located in the settled areas of Punjab Province, where no indigenous peoples as defined under ADB's Safeguard Policy Statement reside. No indigenous communities will be affected by the project and, accordingly, no indigenous peoples planning documents are required.

### **Stakeholder Communication, Participation, and Consultation**

#### During Project Design

Meetings and focus groups discussions with community and displaced persons (DPs) have been conducted as part of the poverty and social analysis. These involved all relevant stakeholders including representatives of the poor and other socially excluded groups such as elderly and other vulnerable women to disseminate the information as well as obtain their feedback on issues related with project design and potential social impacts. Other key stakeholders such as the relevant line departments and local government representatives were also consulted. In addition to normal cash compensation for land and assets, vulnerability and livelihood restoration support has also been provided in the LARP for poor and vulnerable groups. More consultation meetings, where and when required, will also be undertaken with the affected households and communities during the course of LARP updating work including updating of census survey, inventory of losses and socioeconomic survey, etc.

#### During Project Implementation

NHA, the consultants, and ADB will continue to conduct needed stakeholder consultations during project implementation.

### **Business Opportunities**

#### Consulting Services

Consulting services are in accordance to ADB's Guidelines on the Use of Consultants. An estimated 699 person-months (66 for international, 633 for national) of consulting services are required for construction supervision. The construction supervision firm was engaged using the single source selection.

#### Procurement

The project procurement classification is Category B. All procurement of works were undertaken in accordance with ADB's Procurement Guidelines. International competitive bidding procedures were used for civil works contracts.

### **Contact**

Responsible ADB Officer

Ghafoor, Khurram

Responsible ADB Department

Central and West Asia Department  
 Responsible ADB Division  
 Pakistan Resident Mission (PRM)  
 Executing Agencies  
*National Highway Authority*

## Timetable

Concept Clearance  
 06 Apr 2015  
 Fact Finding  
 16 Jun 2015 to 26 Jun 2015  
 MRM  
 31 Jul 2015  
 Approval  
 30 Sep 2015  
 Last Review Mission  
 -  
 Last PDS Update  
 24 Sep 2018

## Funding

### Grant 0440-PAK

#### Milestones

Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
30 Sep 2015	22 Oct 2015	17 Dec 2015	31 May 2020	-	06 Nov 2020

#### Financing Plan

Total (Amount in US\$ million)	
Project Cost	92.00
ADB	0.00
Counterpart	0.00
Cofinancing	92.00

#### Grant Utilization

	Date	ADB	Others	Net Percentage
Cumulative Contract Awards	30 Jun 2023	0.00	67.73	74%
Cumulative Disbursements	30 Jun 2023	0.00	67.73	74%

#### Status of Covenants

Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	Partly satisfactory	Satisfactory	Satisfactory	Satisfactory	-	Satisfactory

## Grant 0482-PAK

### Milestones

Approval	Signing Date	Effectivity Date	Closing		Revised Actual
			Original	Actual	
10 Jun 2016	20 Jun 2016	01 Sep 2016	31 Mar 2020	-	01 Aug 2020

### Financing Plan

Total (Amount in US\$ million)	
Project Cost	34.00
ADB	0.00
Counterpart	0.00
Cofinancing	34.00

### Grant Utilization

	Date	ADB	Others	Net Percentage
Cumulative Contract Awards	30 Jun 2023	0.00	30.12	89%
Cumulative Disbursements	30 Jun 2023	0.00	30.12	89%

### Status of Covenants

Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	Partly satisfactory	Satisfactory	Satisfactory	Satisfactory	-	Satisfactory

## Loan 3300-PAK

### Milestones

Approval	Signing Date	Effectivity Date	Closing		Revised Actual
			Original	Actual	
30 Sep 2015	22 Oct 2015	17 Dec 2015	31 May 2020	-	24 Aug 2021

### Financing Plan

Total (Amount in US\$ million)	
Project Cost	225.00
ADB	178.00
Counterpart	47.00
Cofinancing	0.00

### Loan Utilization

	Date	ADB	Others	Net Percentage
Cumulative Contract Awards	30 Jun 2023	106.07	0.00	100%
Cumulative Disbursements	30 Jun 2023	106.07	0.00	100%

### Status of Covenants

Category	Sector	Safeguards	Social	Financial	Economic	Others
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<b>Rating</b>	Partly satisfactory	Satisfactory	Satisfactory	Satisfactory	-	Satisfactory
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### Loan 3395-PAK

#### Milestones

<b>Approval</b>	<b>Signing Date</b>	<b>Effectivity Date</b>	<b>Closing</b>	
			<b>Original</b>	<b>Revised Actual</b>
10 Jun 2016	20 Jun 2016	01 Sep 2016	31 Dec 2020	- 06 Jan 2022

#### Financing Plan

#### **Total (Amount in US\$ million)**

Project Cost	139.00
ADB	100.00
Counterpart	39.00
Cofinancing	0.00

#### Loan Utilization

	<b>Date</b>	<b>ADB</b>	<b>Others</b>	<b>Net Percentage</b>
Cumulative Contract Awards	30 Jun 2023	53.92	0.00	100%
Cumulative Disbursements	30 Jun 2023	53.92	0.00	100%

#### Status of Covenants

<b>Category</b>	<b>Sector</b>	<b>Safeguards</b>	<b>Social</b>	<b>Financial</b>	<b>Economic</b>	<b>Others</b>
<b>Rating</b>	Partly satisfactory	Satisfactory	Satisfactory	Satisfactory	-	Satisfactory

### Loan 8308-PAK

#### Milestones

<b>Approval</b>	<b>Signing Date</b>	<b>Effectivity Date</b>	<b>Closing</b>	
			<b>Original</b>	<b>Revised Actual</b>
24 Jun 2016	25 Jun 2016	02 Sep 2016	31 Dec 2020	- 31 Dec 2020

#### Financing Plan

#### **Total (Amount in US\$ million)**

Project Cost	100.00
ADB	0.00
Counterpart	0.00
Cofinancing	100.00

#### Loan Utilization

	<b>Date</b>	<b>ADB</b>	<b>Others</b>	<b>Net Percentage</b>
Cumulative Contract Awards	30 Jun 2023	0.00	74.05	100%
Cumulative Disbursements	30 Jun 2023	0.00	74.05	100%

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