



Final Report of the Special Project Facilitator

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Pakistan: Supporting Public–Private Partnership Investments in Sindh Province

(Complaint Received: 9 November 2022)

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ABBREVIATIONS

ADB	Asian Development Bank
CWRD	Central and West Asia Department
OSPF	Office of the Special Project Facilitator
PPP	public–private partnership
SPF	Special Project Facilitator

NOTE

In this report, "\$" refers to United States dollars and "PRs" refers to Pakistan rupees.

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I. BACKGROUND

A. The Project

1. The project, [Pakistan: Supporting Public–Private Partnership Investments in Sindh Province](#), will support the development policies of the Government of Sindh Province in Pakistan for sustainable infrastructure provision through a public–private partnership (PPP). The project, approved on 24 November 2016, is aligned with ADB’s Midterm Review of Strategy 2020, in which PPPs are a key driver of change; and the Country Partnership Strategy 2015–2019. The project builds on ADB’s partnership with the Government of Sindh Province to develop the PPP framework under a program cluster in 2009, using lessons learned from this program and the Country Assistance Program Evaluation for Pakistan. The safeguard categories are FI for involuntary resettlement, FI for the environment; and FI-C for Indigenous Peoples.

B. The Complaint

2. The Office of the Special Project Facilitator (OSPF) received a complaint on the project on 9 November 2022. The complainants raised issues related to the environment, involuntary resettlement, climate change, and stakeholder engagement in connection with the proposed Malir Expressway subproject.

C. The Malir Expressway Subproject

3. The Government of Sindh Province intended to develop the Malir Expressway subproject through the PPP mode under the above project, with possible financial support from the Viability Gap Fund.

4. The objective of the proposed Malir Expressway subproject is to improve the traffic flow by providing a six-lane all-weather road of international highway standards of geometrics, strength, and durability of road; and cross drainage structures like bridges and culverts.

5. The proposed subproject also includes six interchanges with toll collection arrangements, two flyovers, four cross-drainage bridges, 14 underpasses, 10 cattle creeps, 20 box culverts, and 40 pipe culverts. The estimated total cost of the proposed subproject was about PRs27.5 billion (\$151.25 million).¹ The proposed subproject was scheduled to be completed in 30 months from commencement of works.

D. The Stakeholders

6. **The complainants.** Complainants are Azeem Dehkan and Muhammad Aslam, both residents of Malir, Karachi, Pakistan. The complainants did not request to keep their identities confidential. They are represented by the following: (i) Abira Ashfaq, Kazim Hussain Mahesar, and Emran Baloch from Indigenous Rights Legal; (ii) Hafeez Baloch Salman and Baloch Akhtar Kalmati from Indigenous Rights Alliance; (iii) Karachi Bachao Tehreek; (iv) Aadil Ayub from Climate Action Pakistan; (v) Muneeba Hafeez from Women Democratic Front; (v) Shafi Shaikh from Awami Workers Party; and (vi) Ahmed Shabbar from Pakistan Maholiati Tahaffuz Movement.

7. **The project owner/borrower.** The Government of Sindh Province and the Local Government Department Sindh (PPP node/line agency) are the responsible government agencies involved in planning, design, and implementation of the Malir Expressway subproject.

¹ Using the foreign currency rate of PRs1.0000 = \$0.0055 as of March 2022 (date of the Environment Impact Assessment Report).

8. **ADB Central and West Asia Department (CWRD) and the Pakistan Resident Mission (ADB project team).** ADB's CWRD and Pakistan Resident Mission are responsible for the administration of the project.

II. DETERMINATION OF ELIGIBILITY

9. To determine the eligibility of the complaint and to better understand the issues, OSPF reviewed relevant project-related documents, and held virtual meetings with the ADB project team and with the complainants.

10. The Malir Expressway subproject was one of several subprojects proposed for inclusion in the ADB-assisted project. At the time of receipt of the complaint by ADB's Complaint Receiving Officer, ADB funding for the subproject under the project had not been committed. All relevant parties—the complainants, the government agency officials, and the ADB project team—requested OSPF to facilitate the process and step in during the OSPF eligibility determination stage in December 2022, given the state of relationship of the parties.

11. OSPF determined that its involvement would be useful, and pursuant to paras. 138, 141–143, and 163 of ADB's Accountability Mechanism Policy, declared the complaint as eligible for problem-solving on 20 December 2022.

12. In a letter dated 20 December 2022, OSPF advised the complainants regarding the decision on the eligibility of the complaint. The complainants were also advised of the next step, which would be for OSPF to conduct its review and assessment of the complaint and would include dialogue with key stakeholders to develop mutually acceptable courses of action to resolve the issues raised. OSPF also clarified its role in the process as well as that of the ADB project team, which would include the following:

a. Carrying out safeguards due diligence of projects is the responsibility of the borrower with support of the ADB operations department. Based on the safeguards due diligence and compliance audits, the ADB project team is required to ensure the subproject's safeguards compliance, prior to confirming ADB financing for the subproject.

b. The ADB project team would work with the borrower and put in place mechanisms to ensure stakeholder consultations with the relevant parties, including the complainants, during the compliance audit/due diligence process.

c. OSPF would be available to facilitate these meetings, as required. OSPF would engage with complainants to bridge the trust deficit and use the shuttle diplomacy approach to try to resolve the issues raised in the complaint through consensus-driven approaches like joint meetings and negotiations.

III. THE MALIR EXPRESSWAY IS NO LONGER AN ADB-ASSISTED PROJECT

13. In January 2023, the ADB project team, in close coordination with the executing agency, initiated the preparation of the terms of reference for due diligence and compliance audits on the various environment and social issues raised in the complaint. The findings of these studies were intended to form a basis for determining the mitigation measures that would be required to ensure safeguards compliance.

14. In March 2023, CWRD and the Pakistan Resident Mission fielded a Country Portfolio Review Mission to Sindh province. These portfolio review missions are annual activities by ADB to closely engage with the government to assess the portfolio of ADB's engagement, and mutually agree upon any modifications or changes requested from the government on the various projects under implementation. After the mission, the ADB project team updated OSPF of the following developments related to the ADB-assisted PPP project:

a. There were extensive discussions related to the project pipeline selection for the PPP program, especially relating to the priorities of ADB as the Asia and the Pacific's Climate Bank, and renewed focus on projects that are most aligned with ADB's implementation of a long-term climate change operational framework.

b. The Government of Sindh, as an ADB partner, understood the importance ADB attaches to addressing climate change risks.

c. Consequently, the Government of Sindh and ADB are in the process of discussing several climate-resilient projects for ADB funding through the PPP project, with an objective that these projects would open up potential opportunities for subsequent PPP projects that are climate resilient.

d. To ensure that the ADB PPP project has adequate resources to fund the climate resilient initiatives of the Government, the project team was informed by the Government of Sindh that the Malir Expressway project has been taken off the priority lists for funding through ADB resources.

15. The Pakistan Resident Mission further explained to OSPF that after a careful review of the renewed priorities of the Government of Sindh, ADB expressed its commitment to support the government, which is also aligned with ADB's long-term climate agenda for the region.

16. Based on the Sindh government's request for revision of the project pipeline under the ADB-assisted PPP program, the ADB project team advised OSPF on 27 April 2023 that the Malir Expressway subproject would no longer be an ADB-assisted project.

17. The Special Project Facilitator (SPF) concluded that since the complaint no longer involves any ADB-assisted project, it is therefore not eligible for consideration under the ADB Accountability Mechanism. The SPF informed the borrower, the ADB project team, and the complainants (through their authorized representatives) of the SPF's conclusion.

18. Given the above, the SPF has decided to close the complaint.