

Karachi Neighborhood Improvement Project

STATUS

Active/Ongoing

RECIPIENT COUNTRY

Pakistan

INDUSTRY/SECTOR

Urban mobility,
facilitating transport,
neighbourhood
beautification

PROJECT COST

98M USD

FUNDING TYPE

Stand-alone

PARTNERS

Government of Sindh

TARGET SDG

Goal 3: Good health and well-being for people
Goal 8: Decent work and economic growth
Goal 9: Industry, Innovation, and Infrastructure
Goal 11: Sustainable cities and communities

AFFECTED COMMUNITIES

Urban Peoples



KNIP is a World Bank supported project in the city of Karachi, Pakistan. The World Bank has provided a loan of US\$86mn to the Government of Sindh, Pakistan for the purpose of the project. The stated objective of the project is "to enhance public spaces in targeted neighborhoods of Karachi, and improve the city's capacity to provide selected administrative services, according to the project website (<https://projects.worldbank.org/en/projects-operations/project-detail/P161980>).

The total cost of the project is US\$98mn. While WB is providing a loan of US\$86mn, the Government of Sindh would finance US\$12mn for the project.

The project has three components: i) Public spaces and mobility improvements in selected neighborhoods of Karachi city. These neighbourhoods are Saddar downtown area, Korangi area and Malir area; ii) Support to improved citizen services and city capacity development and iii) Support to implementation and technical assistance.

For the purpose of this report, the sub component 1.1 will be reviewed. The sub component is titled "Educational and Cultural Zone". It concerns Saddar Downtown Area Revitalization, according to the Environmental and Social Impact Management Plan. This sub-component aims to improve pedestrian accessibility, walkability, safety and livability of the public urban spaces within the Saddar Downtown area. The built structure which is a public space is called "Peoples Ground".

ASSESSING DEVELOPMENT EFFECTIVENESS PRINCIPLES



FOCUS ON RESULTS

Does the recipient country have a national development strategy?

Yes

This development project is aligned with the national development strategy.

1/3

Which national development objective is this project related to?

Others - As stated in the project document, transform Pakistan's urban areas into creative, eco-friendly, and sustainable cities through improved city governance, effective urban planning, efficient local mobility infrastructure, and better security to make urbanization an important driver of growth.

This national development objective has clear targets and indicators.

1/1

Are the data for indicators for the national development strategy...

Updated: Disagree

Accurate: Disagree

Available to All: Disagree

Are the published progress reports on the implementation of the national development strategy...

Updated: Strongly Disagree

Accurate: Strongly Disagree

Available to All: Strongly Disagree

Which results framework was used to measure indicators of the development project?

IFI Framework



COUNTRY OWNERSHIP

Frequency of Funds' Disbursement (actual)

No fixed schedule

Frequency of Funds' Disbursement (as per contract)

No fixed schedule

Was there any instance of late disbursement?

No info available

What are the reason/s for late disbursement?

No information available

What are the impacts of late disbursement?

No information available

Which institution developed the framework and guidelines used to implement the following tasks during the project?

Budget Execution: No info available

Financial Reporting: No info available

Auditing: No info available

Procurement of Goods and Services: No info available

Procurement of materials, human resource, technical expertise, technology, etc. is sourced...

Internationally



INCLUSIVE PARTNERSHIPS

Recipient Government support for multi-stakeholder dialogue with development actors is in the project framework.

Basic

Partnership with CSOs is recognized.

Narrow

Legal and regulatory environment empower CSOs.

Negligible

How many times were CSO PARTNERS consulted?

Before project implementation: No info available

During project implementation: 1-2

After project implementation: No info available

How many times were the AFFECTED COMMUNITIES consulted?

Before project implementation: 1-2

During project implementation: No info available

After project implementation: No info available

What is the level of engagement of CSOs at different project stages?

Before project implementation: Narrow

During project implementation: Narrow

After project implementation: Narrow

What is the level of engagement of AFFECTED COMMUNITIES at different project stages??

Before project implementation: Narrow

During project implementation: No info available

After project implementation: No info available

Do public-private dialogues (PPDs) engage stakeholders and drive results?

There is trust and willingness to engage from all parties involved:

No info available

The principle of inclusivity is upheld in PPDs: No info available

PPDs focus on working together towards results: No info available



TRANSPARENCY AND MUTUAL ACCOUNTABILITY

The project has a sustainability impact assessment.

Yes

It was centered on human rights-based development principles.

1/2

It was truthful and realistic

1/3

The project has an official grievance or accountability mechanism.

Yes

It is responsive to raised concerns

1/3

Does the project have public systems to track government allocations for gender equality & women's empowerment?

Project has gender responsive policies/programs to support project implementation: Agree

Project can track GEWE resource allocations throughout the public financial management cycle: No info available

Information on GEWE allocation is publicly available: No info available

Are there mechanisms in place to promote transparency & accountability?

Information on development cooperation is publicly available: Agree

There is a partnership policy that defines roles and responsibilities of most stakeholders: Neutral

Targets for donors/funders were established: Neutral

Regular joint assessments towards these targets are done at least every two years: No info available

Local governments and non-state stakeholders in joint assessments are involved: No info available

Results of joint assessments are publicly available within a year: No info available

IMPACTS

Impact on Human Rights:

Loss of Livelihood

Case Study:

Overall, the project KNIP and the sub project "Educational and Cultural Zone" are a part of the efforts for beautification of the city of Karachi. In this drive, informal workers, particularly mobile vendors that are considered to be a blot on the beauty of a neighbourhood were massively displaced. In Karachi, experts observe that the beautification drive displaced 4,000 hawkers in the city. (Arif Hasan, "World Bank in Karachi", March 26, 2021 at <https://www.dawn.com/news/amp/1614686>)

Though World Bank maintains it has no role in displacement, the sub project itself has led to the removal of hawkers from the neighbouring areas. The sub project also does not recognise them as stakeholders, hence no compensation - as per WB policy - was paid to them for loss of livelihood.

Impact on Peace and Security:

Resentment leading to local conflict

Case Study:

The project does not have a bearing on peace and security according to the stricter definition of the term. However, by altering land use and restricting specific spots and options for specific communities (for example mobile vendors are not allowed to sell their products in the piazza and children are not allowed to play in the park) the intervention may breed resentment among communities, which may lead to negative repercussions such as episodes of violence and conflict between guardians of the project and local community.

Impact on Environment:

Pollution, Flooding

Case Study:

While the stated intent of the project has been to reduce traffic congestion, due to constant increase in vehicle density in the city, and the change in the road links, there is higher chances of vehicular pollution in the area. NED University faculty noted increase in speedy vehicles in the area which indicates possibility of vehicular pollution.

In addition, due to unplanned development in the city, there have been increasing episodes of flooding. In August 2020, unprecedented rainfall submerged many areas in the city (<https://www.bloomberg.com/news/articles/2020-08-28/record-august-rains-kill-15-people-disrupt-karachi-businesses>). It was reported by the NED University that the campus was also flooded. Regarding flooding, the ESMP of the project outlines measures to reduce risk of flooding during the construction phase. A technical research is needed to identify the risks led by project intervention in changing the topography of the area.

Impact on Democracy:

Undermining Sovereignty, Lack of accountability and transparency

Case Study:

The total Karachi Neighbourhood Improvement Project costs US\$98mn. The sub project that has been covered for Aid Observatorio costs US\$45 million. While the ESMP Report states that the total subproject cost is estimated to be US\$ 12.59 Million. It is unclear what the gap of US\$33mn entails. However, it is an expensive infrastructure project that has been developed through US\$86mn borrowed from the World Bank. There has been no announcement of a repayment plan, and as has been the trend in Pakistan, the borrowing is repaid with further borrowing. According to the Sindh Debt Bulletin, World Bank projects account for 61% of public debt in 2020. Due to dominance of dollar as the loan currency Sindh's/Pakistan's currency risk/exchange rate risk is extremely high. This could have repercussions for sovereignty of the province and the country.

Moreover, it is well known that WB charges high rate for their services. There have been questions about the methodology of hiring consultants and other actors for the project and how that had a bearing on the project cost (Interview with Mansoor Raza).

Imposition of an expensive infrastructure project that has made the local community feel alienated and compromises their agency to participate in the development of their neighbourhood also has a bearing on democracy and sovereignty. It has been repeatedly argued by experts that a beautification project was not entirely an answer for the structural issues that overwhelm the residents of Karachi. It also compounds the lack of accountability and transparency element since such glamorous projects dismiss real stakeholders, closing doors for their inclusion and participation, while supporting a social and economic model that rewards capital at the cost of labour.

Check out more data visualizations [here](#).



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