

ADDENDUM

TO THE MANAGEMENT RESPONSE TO REQUEST FOR INSPECTION PANEL REVIEW OF THE PAKISTAN: KHYBER PASS ECONOMIC CORRIDOR PROJECT (P159577)

This is an Addendum to the Management Response to the Request for Inspection of the Pakistan: Khyber Pass Economic Corridor Project (P159577) (the Project), received by the Inspection Panel on June 1, 2024 and registered on July 8, 2024 (RQ24/04). The Management Response was submitted to the Panel on August 9, 2024. This Addendum has been prepared to respond to additional questions received from the Panel following its visit to Pakistan.

September 16, 2024

Security Issues in Relation to the Project

1. ***Introduction. In response to the request from the Panel for more information regarding security issues following its visit to Pakistan, Management has prepared the following Addendum to its Response. The Addendum responds to each of the issues highlighted by the Panel in its communication with Management (in boxes below).***

A. The Request raised concerns about heightening conflict risks; not only around land acquisition and the different parties that own and occupy land, but also the security situation in this border area between Pakistan and Afghanistan, and, more generally, how the Project will be implemented under these conditions.

2. ***Given the risk profile of the Project location, the Government will need to deploy strong security measures to address threats, including those posed by domestic terrorism and civil unrest, as well as the proximity to the border, to ensure smooth Project implementation.*** The [ESIA Vol II, Annexure IV](#) provides a due diligence assessment of the contextual risks for the Southern Link Road (SLR) related to the Project's geographic proximity to the Afghan border with Pakistan. The border is located approximately 40 kms from Peshawar, and the nearest border crossing is at Torkham, which is about 42 kms from the westerly end of the SLR. Tensions at the border began in the late 1970s after the Soviet invasion of Afghanistan; in recent times, small-scale security incidents and temporary short-term border closures have occurred infrequently. The ESIA assessment identified the risk of cross-border militancy in the Project area. Additionally, the Project districts have a history of terrorism and insurgent activities. Strategic projects, such as the Peshawar-Torkham Expressway, could be targeted for sabotage or attacks by militant groups seeking to disrupt economic activities and spur instability. Given the Project location, the overall security situation creates challenges in securing the Project construction sites and ensuring the safety of workers and infrastructure.
3. ***In Management's view, appropriate steps have been identified and agreed to enable these risks to be adequately addressed. The Project's Security Management Plan (SMP), which was prepared as a preliminary draft in the ESIA by the National Highway Authority (NHA), is currently being revised. The Project will be implemented following the SMP and with close and diligent Bank supervision and implementation support.*** The SMP is being revised by the NHA in accordance with the Government of Pakistan's Standard Operating Procedures (SOPs) for security of projects and the guidance provided in the World Bank Good Practice Note on Assessing and Managing the Risks and Impacts of the Use of Security Personnel.¹ The NHA has taken further steps to demonstrate its commitment to security by formally writing to the Ministry of Interior requesting appropriate government support, which is likely to be provided. The provision of security to projects is a mandatory requirement of the Government of Pakistan when foreign firms are engaged as consultants/contractors.
4. ***The contractor, once selected, will be required to fulfill its responsibilities related to addressing security risks relevant to the Project as specified in the SMP.*** Bid documents were issued to the seven pre-selected bidders in February 2024, and bids were submitted on June 26,

¹ <https://documents1.worldbank.org/curated/en/692931540325377520/Environment-and-Social-Framework-ESF-Good-Practice-Note-on-Security-Personnel-English.pdf>

2024. These bids are currently under evaluation by the NHA. The contractor is expected to be selected by the end of September 2024. The NHA, working with the Ministry of Interior, is committed to ensuring the security of the construction workforce and the local communities, and the protection of the infrastructure, as noted in the PAD (para 40), and the allocated expenditure is noted in the Financing Agreement.

5. The SMP will be updated once the SLR alignment has been finalized, and the contract awarded. To mitigate potential security risks affecting the Project, the NHA must implement the SMP in line with applicable government SOPs and Bank policies. The NHA is responsible for assessing and managing security risks, as well as addressing any impacts associated with the actions of security personnel assigned to the Project. This includes ensuring that all security personnel, such as private security personnel, the Frontier Constabulary (FC), and any other police forces comply with applicable government rules and procedures and Bank policies;
6. ***Comparable projects in the border area have successfully managed potential security risks.*** The Government has completed several large-scale road projects in the former Federally Administered Tribal Areas (FATA) in the Khyber Pakhtunkhwa province, particularly those financed through a large (US\$280 million) Multi-Donor Trust Fund administered by the World Bank. Additionally, the Government is currently implementing the Improving Border Services project at Torkham funded by the Asian Development Bank (ADB). In 2016, the Peshawar-Torkham National Highway was rehabilitated with USAID funding, and the ongoing World Bank-financed Khyber Pakhtunkhwa Rural Accessibility Project (KPRAP) is working on rehabilitating rural roads in the former FATA. Other Bank-supported projects have been implemented in the area and have successfully managed security challenges. SMPs have been prepared for the Dasu hydropower and KPRAP projects. Dasu has an extensive security system in place, while security for KPRAP will be handled by the provincial police department given the smaller scale of the project and its nature. For the ADB-funded project at Torkham, security is managed by the National Logistics Cell (NLC) and the Frontier Corps.

B. During its eligibility mission the Panel heard that in collaboration with the local police force, the Frontier Constabulary (FC) will be deployed to provide security for the Project. The Panel understands that the FC is a paramilitary force under the control of the Ministry of the Interior that deals with situations that are beyond the capabilities of the KP provincial police force.

7. ***The NHA has indicated its intention to use the Frontier Constabulary (FC) to secure the Project sites, complementing provincial Police and private security firm/s.*** The FC is a paramilitary police force responsible for maintaining law and order between the former FATA (now Tribal Districts) and non-FATA areas of Khyber Pakhtunkhwa (KP).² It was established in 1915 and has since evolved into a key security force in Pakistan's northwest regions, where it often works alongside regular police. It is governed by the Frontier Constabulary Act, 1915

² The Frontier Constabulary is often mistaken for the Frontier Corps, as both are commonly abbreviated as "FC". However, the two are distinct entities. The Frontier Corps comprises four paramilitary forces led by officers from the Pakistan Army, while the Frontier Constabulary is headed by officers from the Police Service of Pakistan.

and the North-West Frontier Constabulary Rules, 1958. The administrative control of the FC is vested in the Federal Government under the Ministry of Interior. The FC is headed by officers selected from the Police Service of Pakistan, and its personnel are recruited from the tribes of KP province and are familiar with local norms and culture.

8. ***It is standard practice for the Federal Government to involve the FC in projects of this nature.*** The FC focuses primarily on domestic security and assistance in law enforcement rather than external defense. Its core mandate is to provide security. It does not have the authority to investigate or prosecute. While the FC is responsible for preventing illegal activities such as smuggling and infiltration, it is not Pakistan's primary border security force. Local police often lack the capacity for long-term site security, a role the FC typically fills. The FC thus plays a key role in maintaining internal security, particularly in regions affected by tribal conflicts, insurgency, and terrorism, often supporting provincial governments in these efforts. Additionally, it is frequently tasked with guarding critical government and military installations, infrastructure, and major transport routes, as well as providing security for diplomatic missions, international companies, and large-scale projects. For example, the FC is engaged by the Government on a permanent basis to guard the Karakoram Highway passing through KP province and Gilgit Baltistan.
9. Therefore, the deployment of the FC for a project such as the Khyber Pass Economic Corridor (KPEC) is a standard practice and is both appropriate and necessary. For KPEC, the Ministry of Interior has already agreed with the KP Provincial Government, the Inspector General of KP Police and the National Counter Terrorism Authority (NACTA) on the security arrangements for the Project. The final decision on deployment of the FC will be made by the Ministry of Interior in consultation with the KP Provincial Government.
10. As explained below, any deployment of FC personnel in the context of the Project will be subject to the applicable provisions in the SMP, and applicable Bank policies..

<p>C. The Panel was made aware that a preliminary Security Management Plan annexed to the ESIA is to be updated for the Project in the coming months. The Panel was informed that the Plan will focus primarily on issues related to the security and safety of contractors and issues related to labor influx.</p>
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11. ***The Project will have a comprehensive SMP covering all relevant aspects. It is currently being revised and will be updated after alignment finalization, and again throughout implementation as appropriate.*** A security risk assessment was undertaken to inform the draft SMP. The final SMP will outline the responsibilities and tasks related to managing security concerns during both the construction and operational phases, and the jurisdiction, mandate and oversight of relevant government agencies dealing with security issues will be clearly described.
12. The SMP will be reviewed and cleared by the Regional Standards Advisor at the Bank. It will consist of a detailed plan designed to protect Project sites, personnel, equipment, materials, and infrastructure from potential security threats. These threats can include, beyond those

mentioned earlier, theft, vandalism, unauthorized access, and accidents. The SMP will also cover security-related issues that could affect local communities, such as inter-tribal or communal violence, and breakdown of relationships with local communities. The NHA will recruit a specialized security consultant for the Project, with experience in advising on projects in situations of fragility, conflict and violence (FCV), including in countries with a similar risk profile. The consultant will work closely with government agencies responsible for security and provide advice to them. The Bank will engage security specialists from its global security team, country security experts, and a specialized consultant to review the SMP. The Bank security team will work closely with the NHA security consultant and government agencies to help ensure that Bank policy requirements are met, and potential risks are adequately mitigated. The Bank has previously engaged external security specialists to advise in high-security and high-risk project environments.

13. ***The draft SMP has been designed to minimize risks and ensure smooth operations throughout the life of the Project. It specifically addresses potential risks to community members such as the conduct of security personnel. The final SMP will include measures to ensure that all public and private personnel involved in the construction and operation of the Project—including the NHA, contractors, subcontractors, and the FC if it becomes involved—fully understand the Project's security policies and expectations.*** It will also contain clear provisions to ensure there is regulatory oversight, community engagement, legal safeguards, and grievance mechanisms to address the risk of adverse impacts on local communities from security staff. In engaging any security personnel, the NHA will follow Bank policy requirements as well as the Bank's Good Practice Note on Security Personnel. If there are any requirements for hiring a private security company, this will be done as outlined in the SMP.

14. ***The final SMP will specifically incorporate mitigation measures such as the following:***

- ***SOPs and COC.*** In addition to including its own SOPs and a binding Code of Conduct (COC), the Project will also review existing SOPs and COCs of security forces involved to determine if those are consistent with the SMP or need to be revised. These documents will contain specific instructions regarding the use of force, handling of firearms, provisions related to sexual exploitation and abuse and sexual harassment (SEA/SH), and respect for local norms and individuals' rights. The SMP will contain strict policies that limit the use of force by security personnel, ensuring that any force used is proportional to the threat and used as a last resort.
- ***Community relations.*** Periodic consultations will be held with local communities to understand their concerns and expectations, but also to ensure their understanding of Project site access restrictions and security arrangements. The Project will require that security personnel work closely with local communities to build trust, solve problems collaboratively to avoid escalations and hence reduce the need for use of force. This will be done through a Community Security Liaison Committee. Its work will be considerate of local cultural and social practices, ensuring that engagements are respectful and avoid causing frictions.

- **Training of security personnel.** Security personnel will undergo training that covers safe and respectful interactions with local communities and the use of force in a proportionate manner consistent with international good practices, including de-escalation techniques. Specific training related to prevention of SEA, SH, gender-based violence (GBV) and any associated risks will be provided. The SMP also will ensure that the security agencies' SOPs and COC have mechanisms in place to address any incidents relating to these issues.
 - **Background checks.** Background checks for all security personnel will be mandatory to ensure that individuals with criminal records or histories of abuse are not deployed in the Project area.
 - **Coordination and oversight.** Binding procedures will be put in place to ensure critical and timely communication between the NHA, supervision consultant, contractor, security personnel, local police, FC, and other relevant parties.
 - **Bank supervision and incident reporting.** The NHA will be required to promptly report in detail to the Bank any security incidents related to the Project. The NHA and the Bank will review such incidents and adjust the security arrangements where necessary.
 - **Grievance redress.** The Project will ensure that the Project grievance redress mechanism (GRM) provides accessible channels for community members to report misconduct or abuse by security personnel, such as through the site-based GRM and the Community Security Liaison Committee. Additionally, the SMP will detail the process for reviewing and addressing these grievances, including potential referral to the judiciary of any conduct subject to national criminal laws. The SMP will also ensure mechanisms are put in place that will allow community members to lodge grievances or complaints without fear of reprisals or retaliation, including by accessing the Bank's Grievance Redress Service.
15. The Project is still at very early stages of implementation. The NHA is required to conduct additional due diligence before security personnel are engaged, and the Bank will review the security force deployment plan prior to the start of civil works. Security personnel are expected to be deployed in a phased manner, commensurate with the program of works of the selected contractor and the risk profile.
16. Throughout implementation, the NHA will undertake robust and meaningful consultations with communities to understand and register concerns; it will update the SMP following such consultations and include mitigation measures to address concerns and risks, as needed.