

REPORT No. 193388-PK

THE INSPECTION PANEL

**REPORT AND RECOMMENDATION
ON A REQUEST FOR INSPECTION**

PAKISTAN

**KHYBER PASS ECONOMIC CORRIDOR
PROJECT (P 159577)**

SEPTEMBER 27, 2024

**The Inspection Panel Report and Recommendation
on a
Request for Inspection**

Pakistan: Khyber Pass Economic Corridor Project (P159577)

A. Introduction

1. On June 1, 2024, the Inspection Panel (the “Panel”) received a Request for Inspection (the “Request”) relating to the Bank-financed Pakistan: Khyber Pass Economic Corridor Project (P159577) (the “Project”). The Request was signed by 448 individuals (the “Requesters”) living in the area that is considered for the Project in Khyber Pakhtunkhwa Province (KPP), Pakistan. The Requesters have delegated two individuals to represent them in the Panel process.

2. The Request raises five main concerns specific to the design and route alignment of a new four-lane link road in the southern outskirts of Peshawar to be constructed as part of the Project, the Southern Link Road (SLR). First, the Request raises concerns about the impact of the road alignment on land take and displacement, the loss of livelihoods of Project-affected people (PAPs), the determination of adequate compensation, and the prospect of delayed receipt of compensation payments based on previous experience of another project in the area. Second, it raises concerns that Project-supported road will heighten tension, conflict, and violence in the area considered for the Project. Third, it contends that the SLR’s design, particularly the indicated elevation levels of the road, will impact traditional, cultural practices and damage physical, cultural resources. Fourth, it claims that community members and elected members of local authorities were neither informed nor meaningfully consulted about the construction of the SLR, including the roads proposed alignment, its viability, and its economic benefits. Fifth, the Requesters raise concerns about environmental and noise pollution worsening as a result of the SLR, and they claim the publicly disclosed Project documents lack feasible solutions to these concerns.

3. The Panel registered the Request on July 8, 2024, and Management submitted its response to the Request (the “Management Response” or the “Response”) on August 9, 2024. A Panel team (the “Team”) visited Pakistan August 18-23, 2024 to inform its report and recommendation to the Board of Executive Directors (the “Board”) as to whether an investigation into the matters alleged in the Request is warranted. During its meetings with stakeholders in Pakistan, the Panel gathered additional information on the concerns raised by the Requesters in relation to heightened tensions and conflict in the two relevant Project districts, where there is a history of militancy, terrorism, and civil unrest. The Project’s envisaged security arrangements warranted a further response from Management. The Panel informed Management about this additional information on August 27, 2024, and Management submitted an addendum to the Management Response (“Management’s Addendum”) on September 17, 2024.¹

¹ To provide Management with sufficient time to respond and the Panel with sufficient time to finalize its recommendation, the Panel requested, and the Board of Executive Directors approved, an extension to the submission of this Report to September 27, 2024.

4. Based on the information provided in the Request and the Management Response and its Addendum, as well as the meetings with the various stakeholders in Pakistan, the Panel determined that the Requesters and the Request for Inspection meet the technical eligibility criteria set out in the Panel Resolution. The Panel considers the alleged harms to be plausibly linked to the Project and considers that the allegations and concerns raised in the Request taken together constitute potentially serious harm and policy non-compliance. Based on the Panel observations and review, the Panel recommends conducting an investigation into the allegations of material adverse impacts on livelihoods and lack of meaningful consultation with potentially affected communities, as well as community concerns in relation to increased conflicts and violence that the SLR may bring and related compliance with the applicable World Bank policies.

B. Description of the Project

5. The Project was approved by the Board on June 14, 2018. At that time, the Project's total cost was US\$ 482.75 million equivalent, with US\$ 460.6 million equivalent financed through an International Development Association (IDA) Credit. Counterpart funding of US\$ 22.15 million was to be provided by the Borrower, the Islamic Republic of Pakistan. The Project closing date at the time of approval was June 28, 2024.²

6. The Project Development Objective is “*to expand economic activity between Pakistan and Afghanistan by improving regional connectivity and promoting private sector development along the Khyber Pass corridor.*”³ The Project is Category A, triggering the safeguard policies for Environmental Assessment (OP/BP 4.01), Physical Cultural Resources (OP/BP 4.11), and Involuntary Resettlement (OP/BP 4.12).⁴

7. The Project was restructured on June 11, 2020, with counterpart funding rising to US\$ 46.2 million to meet additional land acquisition and resettlement requirements. This increased the total Project cost to US\$ 506.8 million equivalent. The Project closing date was extended to May 28, 2026.⁵ At the time of the receipt of the Request, 0.65 percent of the IDA Credit had been disbursed. Following the restructuring, the Project comprises two components.

8. At the time of Project approval, Component I consisted of the design, construction and supervision of the Peshawar-Torkham Expressway (PTEX) – a new alignment and four-lane 48-kilometer expressway between Peshawar and Torkham at the border crossing with Afghanistan – and associated infrastructure facilities, land acquisition and resettlement, as well as afforestation along the PTEX.⁶ The June 2020 restructuring allowed the PTEX civil works Project costs to decrease from US\$ 297.4 million to US\$ 198.58 million, and a new road, the SLR, to be added at

² The World Bank, [Project Appraisal Document on a Proposed Credit in the Amount of SDR 320.3 million \(US\\$ 460.6 million equivalent\) to the Islamic Republic of Pakistan for a Khyber Pass Economic Corridor Project](#) (PAD), May 25, 2018, pp. v and vi.

³ PAD, p. 6.

⁴ PAD, p. viii.

⁵ The World Bank, [Restructuring Paper on a Proposed Project Restructuring of Khyber Pass Economic Corridor Project Approved on June 14, 2018 to Islamic Republic of Pakistan](#) (Restructuring Paper), June 11, 2020, para. 6 and Table 1.

⁶ PAD, p. 6, para. 22; p. 15, para. 48.

a cost of US\$ 119.47 million.⁷ The planned SLR is a 42.53-kilometer, four-lane link road in the southern outskirts of Peshawar, connecting PTEX with key national routes N-5 at Badaber and N-55 at Dheri.⁸ The SLR crosses three districts of KPP, Nowshera District, Peshawar District, and newly emerged Khyber Tribal District.⁹ The Request relates to SLR, in an area in Peshawar District that is close to Khyber District. The Implementing Agency for Component I is the National Highway Authority (NHA).

9. Component II – Development of Khyber Pass Economic Corridor – has been designed to maximize benefits of PTEX for the Western Greater Peshawar region by alleviating key constraints to the integration of private sector actors in the Khyber Agency district to global value chains through technical assistance, and infrastructure investments and institutional improvements.¹⁰ Project restructuring assigned the responsibility for implementing Component II to the Government of KPP’s Planning and Development Department.

C. Summary of the Request

10. The section below summarizes the issues raised in the Request attached hereto as Annex 1. The Request raises five main concerns related to the SLR section of the Project’s Component I.

11. **Road Alignment Resulting in Involuntary Resettlement.** The Request claims the alignment of the SLR will cause “*mass displacement [and] loss of livelihood.*” It also claims 90 percent of the PAPs own less than two acres of agricultural land to meet their minimal food security needs, and the PAPs will lose “*their meagre source of income and houses.*” Additionally, the Request raises concerns about the determination of compensation and the timeliness of payments based on the resettlement process experienced for an earlier resettlement process of another project in their area.

12. **Potential for Heightened Tension, Conflict and Violence.** The Request alleges the SLR risks intensifying existing conflicts between absentee landowners and actual land users. It claims the Government has not addressed land documentation since 1927, and due to prevailing tensions, there “*exists a distinct possibility of armed conflict*” regarding compensation. According to the Request, an act of violence occurred against Project staff conducting surveys in the area, who were only spared further harm by the intervention of community elders and local authority members. The Request raises concerns about a potential increase in similar incidents if the SLR continues. Moreover, the Request states that the community fears the Project will “*eventually be abandoned*” due to the “*daily clashes on the borders*” between Pakistan and Afghanistan but that the harm from displacement and loss of livelihood will already have occurred.

⁷ Restructuring Paper, Table 1. Management Response explains that the Government proposed to the Bank that rather than reducing the loan amount resulting from the exchange rate gains after the Pakistani Rupee depreciated against the US Dollar in 2019, it would include the Southern Link Road (SLR), which had been considered during preparation in 2017, but not included due to an insufficient financing envelope. According to Management Response, the Government had already set aside a budgetary allocation in 2018 to start the SLR feasibility and design process. Management Response, p. 2, para. 7.

⁸ National Highway Authority, [Peshawar Southern Link Road \(SLR\), Khyber Pass Economic Corridor \(KPEC\) Project, Environmental & Social Impact Assessment \(ESIA\) Report Volume-1 \(SLR ESIA\)](#), January 2024, p. 2-1.

⁹ SLR ESIA, p. 1.

¹⁰ PAD, pp. 7 and 8, para. 24.

13. **Traditional Cultural Practices, and the Physical Cultural Resources.** The Request raises concerns about “*the destruction of traditional values and culture*” of the PAPs due to the design of the SLR. It claims the Project would build the SLR road corridor at a height of 22 feet, which is higher than the height of the boundary walls of the road-adjacent houses, which average around 11 feet high and will allow passing vehicles to compromise the privacy of “*thousands of houses in the vicinity of this elevated highway and houses within range of 50 meters*”. The Request alleges this would particularly affect women, who will need to maintain their *purdah* (veiling) inside their own homes, and as a result, they may be “*severely affect[ed]*” in their ability to perform their daily work. Additionally, the Requesters claim the current SLR alignment has “*ignored*” the presence of “*dozens of private graveyards of individuals*” and fear these will be uprooted during construction.

14. **Meaningful Consultation.** The Request alleges that consultation was conducted with “*irrelevant people,*” who were inadequately informed. The Request claims the road alignment has changed multiple times since the Project was approved in 2018, but that community members were not informed of these changes. It also alleges that the affected community members and the elected members of the local authorities representing them were neither consulted on the Project’s viability and its economic benefits, nor given the opportunity to raise their concerns.

15. **Environmental and Noise Pollution.** The Request alleges that environmental and noise pollution are the “*most ignored aspect[s]*” of the Project. It claims the Project will cut down trees and clear orchards replacing them with saplings that take “*decades to mature*”. The Request states that Peshawar, the city closest to the affected area, is “*one of the most polluted cities in Pakistan*” and raises concerns that the Project will turn agricultural land into “*a hub of pollution.*” The Request alleges that the area already faces increasing noise pollution, which will worsen during the Project construction and operational phases. It also states that the Project documents do not suggest feasible solutions to these concerns.

D. Summary of the Management Response

16. The section below summarizes the Management’s Response to the Request and its Addendum. The Management Response and Management’s Addendum are attached to this Report as Annexes 2 and 3 respectively.

17. The Management Response states that it believes the Bank’s policies and procedures have been correctly applied in relation to matters raised in the Request. It adds that “*the Requesters’ rights or interests have not been, nor are they likely to be, directly or adversely affected*”¹¹ by the Bank allegedly failing to implement its policies and procedures.¹²

18. The Response notes that the final SLR alignment has not yet been determined.¹³ It states that, because the Project is being delivered through a Design-Build modality, the responsibility for the Project’s final design and construction, that conforms to employer requirements, lies with the

¹¹ Management Response, p. 16, para. 50.

¹² Management Response, p. 16, para. 50.

¹³ Management Response, p. 7, para. 10.

contractor.¹⁴ This means bidders either endorse the preliminary alignment as is, or propose adjustments within a corridor which has been set at two-kilometers across a preliminary road alignment.¹⁵ Management explained that under a Design-Build modality, the contract is awarded on a fixed timeline and fixed budget basis.¹⁶

19. In its Response, Management is of the view that, since the SLR is in the early stages of implementation, and no land acquisition or road construction has started, “*no impacts have materialized to date*”¹⁷ and the Request is therefore “*premature*”.¹⁸ Management adds that the potential risks and impacts raised in the Request have been identified and analyzed, and the concerns raised in the Request have been “*appropriately and adequately addressed*”¹⁹ through Project design and corresponding mitigation measures.²⁰ Management also points out that after the road alignment is finalized, the NHA is required to update the ESIA, and the draft Resettlement Action Plan (RAP) and submit them to the Bank. Management adds that this process will include consultations with stakeholders on the final alignment to allow “*any outstanding or additional concerns to be heard and discussed*”.²¹

20. **Road Alignment Resulting in Involuntary Resettlement.** The Management Response highlights that as no land acquisition has occurred to date no compensation for land has been determined or offered to date.²² It states that the Project will follow the Bank’s Involuntary Resettlement Policy (OP 4.12), as well as Pakistan’s Land Acquisition Act (LAA) of 1894 and its successive amendments.²³ Management notes that the Project is aware of the differences between OP 4.12 and LAA 1894 stating that the draft RAP provides a comparison and outlines measures to reconcile these differences.²⁴

21. The Response states that the Project will compensate both owners and users of land acquired for the Project.²⁵ According to Management, OP 4.12 requires payment of compensation at replacement cost, which the Project deems to be “*market price plus a 15 percent “Compulsory Acquisition Surcharge,” without accounting for depreciation.*”²⁶ Management believes the Requesters’ concern about insufficient compensation appears to be based on reports or experiences with previous land acquisitions unrelated to the Project or the Bank.²⁷ The Response notes that the NHA “*will not be able to start any land acquisition until the Bank issues its Letter of No Objection.*”²⁸ The Response states that an “*External Monitoring Agent*” will verify replacement

¹⁴ Management Response, p. 7, paras. 10 and 12.

¹⁵ Management Response, p. 11, para. 27.

¹⁶ Management Response, p. 7, para. 11.

¹⁷ Management Response, p. 10, para. 24.

¹⁸ Management Response, p. 10, para. 24.

¹⁹ Management Response, p. 10, para. 23.

²⁰ Management Response, p. 10, para. 23; p. 11, para. 26.

²¹ Management Response, p. 11, para. 26.

²² Management Response, p. 11, para. 29.

²³ Management Response, pp. 11 and 12, para. 29.

²⁴ Management Response, p. 12, para. 29.

²⁵ Management Response, p. 13, para. 34.

²⁶ Management Response, p. 12, para. 30.

²⁷ Management Response, p. 11, para. 29.

²⁸ Management Response, p. 11, para. 26.

cost price and the payment of compensation to all entitled PAPs “before the Bank provides its Letter of No Objection allowing construction to commence.”²⁹

22. The Management Response explains that the draft RAP provides for livelihood restoration regardless of land ownership and that a Livelihoods Restoration Plan (LRP) for the Project is in preparation. Management notes that the LRP will provide information on the income-generation activities, vocational training and support, especially to vulnerable PAPs – including those owning less than two acres and those relying on subsistence farming or tenancies – to meet their food security needs. Management anticipates that these measures will enable the affected households to maintain or improve their existing standard of living, as required by OP 4.12.³⁰

23. The Response states that under Pakistan’s LAA Section 4, the Government has issued Notifications to some landowners along the preliminary alignment right-of-way stating its intention to potentially acquire the land.³¹ The Response terms these “preliminary notifications”³² that “do not affect the right to use the land.”³³ It adds that, once the contract has been awarded and the road alignment finalized, land that is not needed for the Project will be released, and compensation will be provided for any physical damage that may have occurred during the Project related land survey processes.³⁴

24. **Potential for Heightened Tension, Conflict and Violence.** Management believes that since the SLR RAP will compensate both land owners, users, and others affected by land acquisition, the prospect of conflicts, armed or otherwise, has been significantly reduced. In addition, Management states that an entitlement matrix has been prepared for the Project using information gathered through a census of potentially affected persons – including those with legal land title, customary and traditional rights, and claims to the land – to determine eligibility and an inventory of losses.³⁵

25. The Management Response acknowledges intermittent hostile encounters between the security forces of Afghanistan and Pakistan, but noted that these hostilities have not halted trade or transit between the two countries.³⁶ Management asserts that such tensions “are unlikely to prematurely terminate the Project,”³⁷ as the federal and provincial governments are strongly committed to the Project which has a high national priority.³⁸ The Management’s Addendum notes the history of terrorism and insurgent activities in the Project district and acknowledges that strategic projects, such as PTEX, “could be targeted for sabotage or attacks by militant groups seeking to disrupt economic activities and spur instability.”³⁹ It adds that the overall security

²⁹ Management Response, p. 12, para 30.

³⁰ Management Response, p. 12, para. 32.

³¹ Management Response, p. 9, para. 19; p. 12, para. 31.

³² Management Response, p. 9, para. 19.

³³ Management Response, p. 9, para. 19.

³⁴ Management Response, p. 12, para. 31.

³⁵ Management Response, p. 13, para. 34.

³⁶ Management Response, p. 16, para. 49.

³⁷ Management Response, p. 16, para. 49.

³⁸ Management Response, p. 16, para. 49.

³⁹ Management’s Addendum, p. 1, para. 2.

situation creates challenges, and that Government will need to deploy strong security measures to “ensure smooth Project implementation.”⁴⁰

26. According to Management Response, Project authorities could not confirm the alleged violence against Project survey staff described in the Request. They could only confirm a 2023 argument between community members and Project consultants but that this argument was “not related to the SLR”⁴¹ and was in relation to Project activities supporting Component II.⁴²

27. Management’s Addendum states that NHA is responsible for assessing and managing Project security risks, and that the NHA will recruit a specialized security consultant for the Project, with experience in advising on projects in situations of fragility, conflict and violence, including in countries with a similar risk profile.⁴³ According to Management, the provision of security to projects is a mandatory Government requirement when foreign firms are engaged as consultants or contractors, and the NHA intends to use the Frontier Constabulary (FC), a paramilitary police force that is controlled by federal government.⁴⁴ Adding that the deployment of the FC for the Project is “a standard practice and is both appropriate and necessary”,⁴⁵ and the deployment of FC personnel in the Project’s context will be subject to the applicable provisions in the Security Management Plan (SMP) for the Project and applicable Bank policies.⁴⁶

28. The Management’s Addendum presents a view that appropriate steps have been identified and agreed to enable security-related risks to be adequately addressed. The Addendum states the preliminary SMP disclosed with the ESIA is being revised by the NHA in accordance with the Government’s Standard Operating Procedures (SOPs) for security of projects and the Bank’s Good Practice Note on Assessing and Managing the Risks and Impacts of the Use of Security Personnel.⁴⁷ It adds that the SMP will be designed to protect Project-related resources and assets from security threats, as well as security-related issues that could affect local communities.⁴⁸ The Plan will contain mitigation measures such as community relations, grievance redress, a Code of Conduct, and security personnel training and supervision, amongst others, and will be subject to review by the Bank’s global security team and country security experts.⁴⁹ The Regional Standards Advisor will review and clear the document.⁵⁰

29. **Traditional Cultural Practices, and the Physical Cultural Resources.** Management states that the Bank is aware that *purdah* is practiced by many women in Khyber Pakhtunkhwa.⁵¹ Management anticipates that the exposure of households located in the vicinity of the SLR that may result in infringements to privacy will be minimal. The Response explains that most of the

⁴⁰ Management’s Addendum, p. 1, para. 2.

⁴¹ Management Response, p. 34.

⁴² Management Response, p. 34.

⁴³ Management’s Addendum, p. 2, para. 5; p. 4, para. 12.

⁴⁴ Management’s Addendum, p. 1, para. 3; pp. 2 and 3, para. 7.

⁴⁵ Management’s Addendum, p. 3, para. 9.

⁴⁶ Management’s Addendum, p. 3, para. 10.

⁴⁷ Management’s Addendum, p. 1, para. 3.

⁴⁸ Management’s Addendum, pp. 3 and 4, para. 12.

⁴⁹ Management’s Addendum, p. 4, para. 12; pp. 4 and 5, para. 14.

⁵⁰ Management’s Addendum, p.3, para. 12.

⁵¹ Management Response, p. 24.

land to be acquired for the SLR is agricultural, with homes and other structures at least 50 meters from the road's centerline and 39 meters from a vehicle pulled over on the shoulder.⁵² It notes that technical design and mitigation measures including visual barriers, such as hedges, trees and fencing, will protect the privacy of households.⁵³ The Response adds that the average height of the new road embankment will be no more than two or three meters above ground level, and at most up to five meters where required for underpasses.⁵⁴

30. The Response mentions that the NHA's Project Implementation Unit includes a gender specialist. It states that the Project grievance redress mechanism (GRM) is available for women to register all types of grievances, including privacy concerns, during the construction and operational phases.⁵⁵ The Response adds that a women's PAP committee will be formed in every affected village after the alignment is finalized to enable timely feedback and the inclusion of women's PAPs concerns in Project implementation.⁵⁶

31. Management states that no graveyards would be affected by the preliminary SLR alignment. The Response states that any graves subsequently found within the right-of-way for the road due to alignment adjustments, will only be moved with the consent of the families of the deceased and their religious leaders to locations selected by them.⁵⁷ Management adds that any potential relocation of graves will adhere strictly to religious customs and laws.⁵⁸

32. **Meaningful Consultation.** Management acknowledges challenges in consulting directly with elected officials due to factors beyond the Project's control and that some local elected government representatives were unavailable due to political "*turmoil*"⁵⁹ at the initial stages of the Project.⁶⁰ Management states that elected representatives will be included in upcoming consultations.⁶¹ The Response states that 747 PAPs attended community consultations to inform the draft RAP preparation.⁶² It adds that in August and September 2022, and May 2023, 12 village-level meetings with Project-affected men and eight with Project-affected women for the ESIA.⁶³ It also states that since early May 2024, three public consultations have been conducted in the villages of Tarnab, Mashokhel and Sangu.⁶⁴

33. The Management Response states "[t]he Borrower"⁶⁵ has been advised to intensify consultations. The Borrower was asked to hold at least two weekly community-level consultations (one for the men, and one for the women) along the preliminary road alignment right-of-way, as

⁵² Management Response, p. 15, para. 46.

⁵³ Management Response, p. 24.

⁵⁴ Management Response, p. 15, para. 46.

⁵⁵ Management Response, p. 15, para. 47.

⁵⁶ Management Response, p. 16, para. 47.

⁵⁷ Management Response, p. 12, para. 33.

⁵⁸ Management Response, p. 13, para. 33.

⁵⁹ Management Response, p. vi, para. vii.

⁶⁰ Management Response, p. vi, para. vii; p. 14, para. 40.

⁶¹ Management Response, p. vi, para. vii.

⁶² Management Response, p. 28.

⁶³ Management Response, pp. 28 and 29.

⁶⁴ Management Response, p. 29.

⁶⁵ Management Response, p. 14, para. 40.

the Project moves towards final alignment, and thereafter towards compensation payments and implementation.⁶⁶

34. **Environmental and Noise Pollution.** Management believes the SLR’s environmental impacts are appropriately and adequately addressed by Project design and the corresponding mitigation measures in the prepared safeguard documents.⁶⁷ Management states the ESIA, specific to the preliminary SLR alignment, was prepared pursuant to Bank policy and consistent with Khyber Pakhtunkhwa Environmental Protection Agency requirements.⁶⁸ The Response notes that the ESIA contains an Environmental and Social Management Plan (ESMP), and the ESIA’s mitigation measures and plans cover air, noise, waste, health and safety, traffic safety, camp site, construction sites, and emergency response.⁶⁹ It states that site-specific documents will be required to be revised and updated, including the ESMPs once the road alignment is finalized.⁷⁰

E. Panel’s Eligibility Assessment, Observations, and Review

35. The Panel’s review is based on information presented in the Request, the Management Response, Management’s Addendum, other documentary evidence, and information gathered based on conversations with different stakeholders, especially during the Team’s visit to Pakistan.

36. Panel Members Ibrahim Pam and Evelyn Dietsche, Senior Environmental Specialist Richard Wyness, and Investigations Officer Ayako Kubodera visited Pakistan August 18-23, 2024, to inform the Panel’s eligibility assessment. During its visit, the Team met with World Bank staff and officials of the Ministry of Economic Affairs, KPP, Peshawar and Khyber Districts, and the NHA – the Project Implementing Party for Component I. All meetings were held in Islamabad. Meetings with some of the Requesters and additional community members (the “community participants”) from the villages along the Project’s preliminary alignment were also held in Islamabad. With the community participants two meetings were held simultaneously, one meeting for men and another meeting for women. The Panel extends particular thanks to the World Bank Country Office staff in Islamabad for its assistance with logistical arrangements for the Team’s visit, and guidance provided on security protocols.

37. The following sections cover the Panel’s determination of the technical eligibility of the Request in accordance with the criteria set forth in the Panel Resolution (subsection E.1.), observations on other factors (subsection E.2.), and the Panel’s review (subsection E.3.) which supports the Panel’s recommendation (section F).⁷¹

E.1. Determination of Technical Eligibility

38. The Panel is satisfied that the Request meets all six technical eligibility criteria set out in its Resolution.⁷² Technical eligibility is based on verifiable facts which relate to the allegations in

⁶⁶ Management Response, p. 14, para. 40.

⁶⁷ Management Response, p. 19.

⁶⁸ Management Response, p. 14, para. 41.

⁶⁹ Management Response, p. 15, para. 42.

⁷⁰ Management Response, pp. 14 and 15, para. 42.

⁷¹ World Bank Inspection Panel, [Resolution No. IDA 2020-0003](#) (the “Resolution”), paras. 13-15 and 29.

⁷² The Resolution, paras. 13-15 and 29.

the Request. The Panel notes that confirmation of technical eligibility in no way implies any judgement on the substance of the claims made in the Request.

- Criterion (a): *“The affected party consists of any two or more persons with common interests or concerns and who are in the borrower’s territory.”* The Request was signed by 448 individuals who live in the area affected by the SLR-related Project activities. The Team met in Islamabad with some of the Requesters and with community members from the villages along the SLR’s preliminary alignment who had signed the Request. The Panel therefore considers this criterion met.
- Criterion (b): *“The Request does assert in substance that a serious violation by the Bank of its operational policies and procedures has or is likely to have a material adverse effect on the Requester.”* The Request raises concerns and makes claims and allegations that could result in serious harm related to the SLR. The Request raises concerns about the displacement and loss of livelihoods from the Project activities in the SLR section, and on the determination of compensation and timeliness of compensation payment. The Request alleges the Project activities will potentially heighten tension, conflict, and violence in the Project area. According to the Request, the design and alignment of the SLR will negatively impact traditional cultural practice and of physical cultural resources. The Request alleges that community members and elected members of local authorities were not meaningfully consulted or informed about changes in the SLR alignment, and the SLR’s viability and economic benefits. The Request also alleges the potential worsening of environmental and noise pollution from the SLR, and that Project documents do not provide feasible solutions. The Panel considers this criterion met.
- Criterion (c): *“The Request does assert that its subject matter has been brought to Management’s attention and that, in the Requesters’ view, Management has failed to respond adequately demonstrating that it has followed or is taking steps to follow the Bank’s policies and procedures.”* The Panel reviewed correspondence that had been exchanged between the Requesters, their representatives, and the Bank concerning these issues prior to the submission of the Request. The Requesters expressed dissatisfaction with the Bank’s response. The Panel considers this criterion met.
- Criterion (d): *“The matter is not related to procurement.”* The claims do not raise issues of procurement and thus this criterion is met.
- Criterion (e): *“For projects approved by the Executive Directors before the date of this Resolution [September 8, 2020], the related loan has not been closed or substantially disbursed or for projects approved by the Executive Directors on or after the date of this Resolution fifteen months have not yet passed from the date the related loan has been closed.”* At the time of receipt of the Request, the Project was active, with 0.65 percent disbursed. Therefore, this criterion is met.
- Criterion (f): *“The Panel has not previously made a recommendation on the subject matter or, if it has, that the Request does assert that there is new evidence or circumstances not*

known at the time of the prior Request.” The Panel considers this criterion met as the Panel has not previously considered the subject matter of the Request.

E.2. Panel Observations Relevant to its Recommendation

39. In making its recommendation to the Board and consistent with its Operating Procedures, the Panel considers whether:

- there is a plausible, causal link between the harm alleged in the Request and the Project,
- the alleged harm and possible Bank non-compliance with its operational policies and procedures may be of a serious character, and
- Management has dealt appropriately with the issues, as per the Management Response, or has acknowledged non-compliance and presented a statement of remedial actions that address the Requesters’ concerns.

40. In the following section, the Panel provides its preliminary observations on the alleged and potential harm and compliance, noting that in doing so, it is not making any definitive assessment of the Bank’s compliance with its policies and procedures or any adverse material effect this may have caused.

41. **Project Status and Road Alignment.** Management and national, provincial and district government officials all emphasized to the Panel the importance of the Project as a whole and including the SLR in improving road connectivity between Pakistan and Afghanistan, which will facilitate increased economic activity and employment in the KPP and across Pakistan. Provincial and district government officials shared with the Panel the Government’s ambition to make this Project a “*success at all costs.*” Many community participants told the Panel that they were not against the SLR but were against the current road alignment as they understand it.

42. The Panel notes the SLR is at the design and planning stage. Both Management and the NHA informed the Panel that bids have been submitted from three contractors for the design and construction of the SLR. The NHA told the Panel that contract award is expected in late September or early October 2024, following which final design decisions will be completed over a three-month period. Planning and document updates are projected to then take approximately six more months before civil works can begin.

43. Management and the NHA informed the Panel that bids will be evaluated with a weighting of 20 percent on technical considerations, including environmental and social safeguards, and 80 percent on cost. The technical aspects of the submitted bids are currently under evaluation. Management explained that their involvement in the bidding process will focus on due diligence after the NHA has completed its bid evaluation.

44. Management and the NHA confirmed to the Panel that the current road alignment remains preliminary. The NHA explained that the preliminary alignment was decided in February 2024 after several iterations aimed at minimizing the physical impact of the SLR, especially on residential structures. The NHA stated that the preliminary alignment was partly informed by public consultations. NHA representatives confirmed, as per the Management Response, that the

final road alignment will be based on the selected contractor's proposed design or modification within a two-kilometer-wide corridor along the preliminary road alignment (i.e. one-kilometer either side of the preliminary alignment centerline). This Design-Build modality was structured to enable bidders to propose an alignment that would minimize adverse impacts. However, both Management and the NHA noted that they expect no major changes to be made to the current preliminary alignment.

45. In its meeting with provincial and district officials, the Panel was shown an aerial map of an approximately ten-kilometer segment of the SLR which showed the current preliminary road alignment, an earlier iteration of the alignment, and an alternative route that the officials claimed was proposed by the communities. The officials pointed out that, while this alternative route proposed by the communities avoids direct impacts on the communities' own location, it would have a significantly higher impact on the residential housing of neighboring communities. The provincial and district officials told the Panel that affected communities had very recently been informed by an NHA official that modifications to the preliminary alignment, aimed at minimizing disturbances to the public, can still be made before finalization.

46. The community participants with whom the Panel met during its mission believed that the current preliminary alignment is the final road alignment. The women shared a video clip posted on public social media, which includes a virtual flyover along a map of the preliminary road alignment. This video gave the PAPs the impression that this visualization represented the final road alignment, showing them which residences, fields, orchards, and other assets would be directly affected by the Project. The men told the Panel that they had only come to understand in recent days that the road alignment was preliminary and that there was room for adjustments within the proposed road corridor. They believed the corridor, in which adjustments could be made, was 500-meters wide. They do not anticipate any significant changes to the preliminary alignment within the 500-meters and therefore they assume impacts will remain the same.

47. Community participants showed the Panel an alternative alignment option utilizing existing roads that they said cut through barren and/or public land, hence limiting the need to acquire privately-owned and occupied land. They told the Panel that the NHA had not considered this option and an opportunity to present this alternative route was not afforded. The Panel notes that the community's alternative route differs from that which the provincial and district officials told the Panel was proposed by the community.

48. Management informed the Panel that it considered the SLR-specific ESIA that was publicly disclosed in January 2024 to be adequate and cleared the document, because it contained adequate assessments – including an analysis of alternatives, and risk and mitigation measures – in accordance with the relevant Bank policies. Management added that the NHA is required to ensure that the environmental and social safeguard documents, especially the ESIA and the draft RAP, will be revised based on the final road alignment.

49. The Panel notes that while some Requesters had referred to elements of the ESIA in the Request, some of the community participants with whom the Panel met said that they were unaware of its existence. One community participant in the men's group noted that, under national

law, environmental assessments need to be subjected to public discussion, and comments must be documented in a public record; he claimed that this has not happened.

50. **Land Acquisition and Livelihood Restoration.** From its meetings with Management and the NHA, the Panel notes that the final road alignment – to be based on the design proposed by the selected bidder – will determine the need for the involuntary taking of land. Management, the NHA, and the provincial and district officials informed the Panel that land acquisition is the responsibility of the KPP Government. Management emphasized that only once the necessary land has been acquired and compensation for involuntary land take has been paid will the Government of KPP be able to hand the land over to the Contractor to commence road construction.

51. The NHA, as well as the provincial and district officials, confirmed to the Panel that the LAA of 1894 provides the basis for land acquisition in Pakistan. The NHA is clear that the Project is legally obliged to follow the Bank’s Involuntary Resettlement policy (OP 4.12) and that its requirements exceed those of national and provincial legislation. The Panel noted that Management stated that a gap analysis between LAA of 1894 and OP 4.12 had been carried out and had identified differences relating to compensation payments, replacement cost, requirements for livelihood restoration, recognition of informal land users. Management confirmed that the draft RAP includes measures to be implemented by the Project to bridge these gaps. According to Management, an entitlement matrix is also included in the draft RAP and contains information on landowners, occupiers and users, and the compensation identified and the compensation to which they would be entitled. Management emphasized to the Panel that the Government authorities are aware land cannot be taken unless compensation has been paid and the Bank has issued a Letter of No Objection to proceeding with project implementation.

52. Management stated that a Resettlement Advisory Commission will be established to advise the KPP Government on the compensation to be paid for resettlement and to whom. According to Management, consultations with affected communities would take place before the RAP is finalized. The NHA explained that the Resettlement Advisory Committee has already been established and a meeting has already taken place with the Deputy Commissioners of Peshawar and Khyber Districts.

53. Community participants that the Panel met with emphasized that public records do not accurately reflect who currently occupies land, as sales and purchases are not always updated, and that therefore, they are concerned that the “true” landowners, occupants, and users may not be recognized during the resettlement process. Some community participants shared personal experience of selling land, but that this land remains recorded under their names. Community participants voiced serious concerns that, due to the inadequacy of the public records, compensation payments will not be made to the people actually affected, adding that this is very likely to result in local conflicts, which could in turn become violent.

54. Community participants informed the Panel that the Peshawar District Commissioner had issued “*a compulsory land acquisition order based on Section 4 of the LAA.*” Community participants stated that they are already negatively impacted by the issuance of the Section 4 notification because they can no longer sell their land or make improvements to their houses because of the potential land take and uncertainty about compensation payments.

55. Provincial and district officials told the Panel that on April 22, 2024, the Deputy Commissioner of Peshawar District issued a notification of the intent to acquire land for the preliminary road alignment under LAA Section 4 in Peshawar District. According to these officials, invoking Section 4 initiates the land acquisition process and allows the authorities to enter the land to conduct surveys and perform other activities deemed necessary for the Project. The officials informed the Panel that the Section 4 notification described potential land acquisition across a 100-meter right-of-way along the length of the preliminary alignment of the SLR. They also said the public was notified via a general electronic notification and that there would be further notifications of any intended land transactions. They stated that communities can continue to use the land that is subject to the Section 4 notification.

56. NHA officials explained that, once the final alignment has been determined, the communities will be notified which land the authorities need to acquire, and that Section 4 would be lifted for the land that is not needed. The NHA also informed the Panel that under LAA Sections 5 and 5 (a), community members can appeal decisions to the District Commissioner.

57. Management and the NHA confirmed to the Panel that local communities had filed two court cases for injunction against the SLR. One of these cases had already been dismissed on the ground of it being premature. The community participants stated that the plaintiffs in the first case have filed contempt proceedings against the District Commissioner for not having disclosed the issuance of the Section 4 notification, which the Panel learned was scheduled to be heard in September 2024. Furthermore, the community participants contended the second case is specific to the issuance of Section 4 which, in their view, cannot be issued, before final road alignment is determined, and the Section 4 notification is published in the official gazette as required by law.

58. **Potential for Heightened Tension, Conflict, and Violence.** Management, the Ministry of Economic Affairs, the NHA, and provincial and district governments expressed no serious concerns in relation to security or conflict-related issues in the Project area. Provincial and district government officials said the Project will not jeopardize security in the area, but rather, will create economic opportunities for the region.

59. Management and the NHA stated that security for the Project will be provided by deploying the Frontier Constabulary, an armed paramilitary force under the Ministry of Interior. During its meeting with the Panel, Management stated that the Terms of Reference for this deployment will need to be reviewed by the Bank. Management added that the contractor may also hire a private security company. Management informed the Panel that a preliminary Security Management Plan was annexed to the ESIA and that a full and improved SMP for the Project will be issued in the coming months. According to Management, the SMP will provide mitigation measures for contractor implementation, including on issues related to labor influx, sexual exploitation and abuse, and sexual harassment. Management stated that security organizations or companies deployed for the Project will not be financed by the Project.

60. The community participants with whom the Panel met described previous significant conflicts around and near to the areas where they live including insurgency and terrorism. They raised two specific security and conflict-related concerns they had about SLR-related Project

activities. First, community members worry that the improved road could facilitate the movements of armed groups, which are present in the region generally, and particularly in the area of the border with Afghanistan. As these armed groups would gain improved access to their local villages, communities fear that they could get caught up between “*terrorist and counter-terrorist activities*”, as they have experienced in the past. In addition, because of their Pashtun culture, they do not feel protected by the local police force and the Pakistani security establishment. Secondly, as mentioned above, the community members raised concerns about the potential intra-community conflict arising if resettlement compensation were paid only to landowners identified in the public records and not to actual land users. Management also described conflict dynamics present at the family or kinship-level, although Management was not clear whether the construction of the SLR would exacerbate these intra-family conflicts.

61. During the mission to Islamabad in August 2024, the Panel heard different accounts of the alleged violent incident raised in the Request which claimed this incident was related to the SLR. The community participants gave the Team a firsthand account of an attack on surveyors by some community members, saying that one of the surveyors had to be protected by village elders. They told the Panel that the incident took place soon after the community members discovered that the Section 4 notification had been issued in April 2024. The community participants who spoke to the Team did not know if this incident was formally reported. Management reiterated, as stated in its Response, that it was unaware of such an incident. During its meeting with the Team, the NHA said that its consultants were uncomfortable holding consultations in some communities.

62. **Traditional Cultural Practices, and the Physical Cultural Resources.** During meetings with the Panel, the NHA and Management clarified that the road’s embankment will generally be two to three meters high along most of the right-of-way rather than the 22 feet (6.7 meters) as was raised as a concern in the Request. However, the NHA added that in areas where road crossings will be needed, the embankment could reach up to six meters. The NHA stated that the closest residences will be approximately 30-35 meters from vehicles using the road. The Panel was told that given the width of the right-of-way and the engineering design – particularly the road embankment height, noise barriers, and tree coverings – there will be no line-of-sight from the road to the interiors of adjacent homes, and therefore, women practicing *purdah* would not have their privacy breached. Management also told the Panel that concerns about violations of privacy relating to the practice of *purdah* were raised during the consultations. They added that women are generally pleased with the Project and the SLR corridor, as it facilitates easier access for girls to go to school, fosters economic development, and creates employment opportunities.

63. The women’s group of community participants raised concerns about a potential shift in their “*ways of life*” and culture resulting from the SLR and associated activities. The women were also concerned about the impact of the SLR on the social cohesion and fabric of their communities and extended families, adding that involuntary land acquisition does not simply mean taking the land they own and/or occupy; it also means “*stealing our identity*” and “*endangering the preservation of heritage and Pashtun culture.*” They complained to the Panel about the disrespect for their way of life shown by officials working on the Project, since the Project has taken decisions that affect them without considering their livelihoods. They also expressed their strong feelings of being marginalized and portrayed as “*savages*” and “*uneducated*”. One woman expressed to the Panel her anxiety of being visible from within her home due to the elevated height of the road,

which she feared would lead to unwanted exposure to drivers in passing vehicles. Others were concerned about how the land take would impact the social safety of vulnerable community members, including the unmarried, the disabled, and internally displaced persons.

64. *Graveyards.* Management explained to the Panel that there are different types of graveyards: those located on public land, communal graveyards set aside by communities, and private graveyards within individual household compounds. The NHA and Management told the Panel that the current preliminary alignment no longer affects any of the known graveyards. They added that graves encountered during subsequent Project activities would be subject to consultations and solutions for dealing with these would then be negotiated.

65. Community participants told the Panel that the Project's survey missed multiple graveyards within the right-of-way of the current preliminary alignment. They showed the Team an aerial map on which they had marked at least 16 graveyard plots containing approximately 700 graves. They explained to the Team graves located within their compounds formed an important part of their tradition and culture, because their elders are buried there, and they regularly pray at these graves. One man at the community participants' meeting with the Panel said he would sooner give up his home than his graveyard.

66. **Meaningful Consultation.** The NHA explained to the Panel that they began public consultations with the communities in the Project area in 2022. The NHA said 345 men and 71 women from the Project area were consulted for the development of the draft RAP in August, September, and November 2022 and May and June 2023. The Panel notes Management Response states that 747 PAPs attended community consultations to inform the draft RAP preparation adding that in August-September 2022 and May 2023, 12 village-level meetings with Project-affected men and eight with Project-affected women for the ESIA. It also states that three public consultations have been conducted since May 2024.⁷³ The Requesters told the Panel that they were aware of these meetings, and some had attended. Several community participants the Panel met with stated that they went to Project-related meetings that were poorly attended. They said that these meetings consisted of a Project surveyor informing them about the road and sharing maps of the road alignment. They added that, these meetings could not be described as meaningful consultations.

67. The community participants that the Panel met with strongly asserted that no meaningful consultation regarding the SLR had taken place. The Requesters claimed no elected council, representatives elected at the grassroots level, or PAPs had been consulted on the SLR and therefore local knowledge, issues and concerns were ignored during Project planning. The community participants added that the Panel's mission was the first time they met someone from the Bank.

68. Many community participants informed the Panel that they were not against the SLR but were against the current alignment presented to them and which is included within the areas subject to the Section 4 notification. Community participants in the men's group meeting with the Panel voiced frustration that no one from the NHA or the Bank has taken the time to engage with them directly during Project planning as their significant local knowledge and information would have

⁷³ Management Response, pp. 28 and 29.

helped the road alignment selection process. They noted that, had they been meaningfully consulted, they would have liked to propose alternative road alignments.

69. In its meeting with the Panel, Management explained that, following advice from the Bank team in January 2024, the NHA had increased the frequency of its consultations and, starting in March or April 2024, is now meeting with communities twice per week. Management added that these were open consultations, with separate sessions for men and women, in the 22 villages that will be affected by the preliminary road alignment. The NHA confirmed that these consultation meetings were ongoing. However, community participants told the Team that they were unaware of any twice-weekly consultations in their area as claimed by Management and the NHA.

70. The NHA highlighted that the consultants they use for conducting the consultations reported difficulties engaging with communities in some villages along the preliminary road alignment. The men whom the Panel met with stated that they were resistant to meeting with the NHA unless the Section 4 notification is lifted so that road alignment options could be properly discussed. Additionally, some women that the Panel met with voiced discontent about engaging with officials who were not enabling them to exercise their voice in accordance with their cultural practices.

71. The provincial and district officials that the Panel met with explained that they had only recently become aware of the concerns in the communities. They were puzzled as to why those with concerns had not approached them or posted their grievances via the established grievance mechanism. The officials noted that they had not been involved with Project consultations carried out by the NHA. After the officials learned of the Request for Inspection, they met with some communities along the preliminary alignment. According to the District Commissioner of Peshawar, the biggest grievance he heard was that communities had not been consulted.

72. District officials informed the Panel that an eight-member committee had been set-up two days before the Panel's meeting with the provincial and district officials. This committee, set-up to work together on Project grievances and concerns, would be chaired by a Member of the National Assembly for the area, co-chaired by the Deputy Commissioner of Peshawar, and it would consist of three representatives of KPP and Peshawar District, a representative from the NHA, and two prominent community members. The Panel was shown a notification establishing the committee dated August 19, 2024, and describing its terms of reference to include the following three aspects: (i) redressal of grievances/issues on the NHA proposed preliminary alignment, (ii) cost benefit analysis of the three alignments that have already been proposed, and (iii) develop a consensus amongst all stakeholders. The Panel was informed that the two community members who had agreed to join the committee on August 19, 2024, resigned from their positions on August 21, 2024, because the terms of reference issued by the Office of the Commissioner Peshawa Division Peshawar did not state the two pre-conditions that they had set two days earlier for joining the Committee, which were the withdrawal of Section 4 and stopping the contractor bidding process for the SLR.

73. *Grievance Redress Mechanism.* The Panel heard different explanations of available GRM tools, and the resolution of grievances received to date. The Panel learned from the NHA that it had updated its GRM to increase the various channels that complainants can use to raise concerns.

The NHA stated that all complaints received to date via their GRM have been addressed. The NHA also shared that they had received 14 complaints relating to the Project via the Prime Minister's Portal – a citizens' complaints mechanism in Pakistan – and that these official complaints had been resolved. The NHA added that, once the SLR road alignment is finalized and the construction contract is awarded, another three-tier GRM will be formed, with the first tier available at the village level, the second tier available at the level of *tehsils* (sub-district groups of villages), and the third tier available at the Project Management level. Provincial and district officials stated that they also have a functioning grievance system in place at the provincial level and that this system comprises five levels. Community participants that met with the Panel said that they were unaware of the Project's GRM or the provincial grievance mechanism. They stated that, in any case, that they would typically revert to the courts. They also reminded the Panel that they prefer to utilize the *jirga* (traditional village council of elders) system to resolve local issues.

74. The women the Panel met with were outspoken about the Project's engagement with them, and safeguarding of women's rights. They shared that their way of influencing community decision-making was via deliberations within their households and extended family networks, where the men would take decisions in *jirgas*. While for doing so, they require information to be related to them specifically, they were critical of being offered separate and time-consuming consultations with and deliberations among women that did not feed into the customary male-dominated decision-making processes. These views were shared by both older and younger women.

75. **Environmental and Noise Pollution.** The Panel noted that during meetings with the community participants there was no specific concerns raised with respect to environmental impacts or noise pollution. Management and the NHA shared the mitigation that will be applied to minimize potential impacts.

E.3. The Panel's Review

76. The Panel appreciates the detailed discussions it had with the Government entities and the information they shared, and it recognizes the importance of this Project to the Government of Pakistan. The Panel acknowledges the serious concerns of the Requesters and the community members. It appreciates the productive discussions it held with them, the additional information they provided during the Team's visit, and the trust they have placed in the Panel's process. The Panel also acknowledges Management's detailed response and its Addendum to the issues raised in the Request, and its willingness to provide further information.

77. The Panel recognizes Management's efforts to address the Requesters' concerns as described in the Responses to the Request. This includes various commitments including to increase the frequency of Project consultations in affected communities while developing plans or updating safeguard documents in line with Bank Policy to support the delivery of involuntary resettlement and support security management risks.

78. The Panel considers the alleged harms to be plausibly linked to the Project. The Panel also considers that the several allegations and concerns raised in the Request taken together may constitute potentially serious harm and policy non-compliance. There are three broad areas of harm

where a Panel investigation will review the related, possible non-compliance with applicable World Bank policies and standards.

- a. *Livelihoods Impacts.* The Panel notes that the final road alignment will be based on the design proposed by the selected bidder at which time the need for the involuntary taking of land will be determined. However, the resettlement process has started on the preliminary road alignment with the issuance of compulsory land acquisition orders based on Section 4 of the LAA of 1894. The impact is already felt in communities because, while they can still use the earmarked land, they claim they are no longer able to sell this land or improve their assets.
- b. *Lack of Meaningful Consultations with Project-affected Communities.* The Panel notes the Requesters' claim that no meaningful consultations have been conducted. The Panel notes the Requesters' claim on lack of consultation includes their inability to share an alternative alignment, which they allege would lower livelihood impact and avoid impact on private graveyards.
- c. *Conflict Risk.* The Panel notes concerns of affected communities in relation to conflicts and tension in the Project districts, their experience of previous significant incidents and the potential that the new road may heighten security risk during construction and once it is in operation. The Panel also notes the concerns about the heightened risk of conflict between landowners and land users, which could result from the compensation processes, and that such conflicts may not be adequately addressed.

F. Panel Recommendation

79. The Panel notes that the Requesters and the Request for Inspection meet the technical eligibility criteria set forth in the Panel Resolution in relation to the allegations of material adverse impacts on livelihoods, lack of meaningful consultation with potentially affected communities and community concerns in relation to increased conflicts and violence that the Project may bring. The investigation will review the related compliance with the applicable World Bank policies, focusing on the Bank's Policy on Environmental Assessment (OP/BP 4.01), Physical Cultural Resources (OP/BP 4.11), Involuntary Resettlement (OP/BP 4.12), and the Bank's Investment Project Financing policy.

80. If the Board of Executive Directors concurs with the Panel's recommendation, as per paragraph 30 of the Panel Resolution, the Accountability Mechanism Secretary, acting in her capacity as the Head of the Dispute Resolution Service shall offer an opportunity for dispute resolution that has a scope which "*is limited to project-related issues raised in the Request for Inspection and identified as the issues to be investigated in the Inspection Panel's report to the Executive Directors recommending investigation.*"⁷⁴ The Panel will commence its investigation if there is no dispute resolution.

⁷⁴ The World Bank Accountability Mechanism, [Resolution No. IDA 2020-0004](#), September 8, 2020, para. 12 d.

Annex 1

Request for Inspection
(Redacted)

Complaint (Request for Inspection) Form

To:

The Chair, Inspection Panel

The World Bank Accountability Mechanism

MSN: MC 10-1007

1818 H St., NW, Washington, DC 20433, USA.

Fax: +1(202)-522-0916. Email: ipanel@worldbank.org

(Please answer the questions below as best as you can. Once the form is submitted, we will contact you to collect any additional necessary information.)

Section 1: Complaint

1. What harm do you believe the World Bank-financed project caused or is likely to cause to you or your community? Please describe in as much detail as possible.

1. As a community we express our strongest reservation regarding the South Link Road project which is going to result in mass displacement, loss of livelihood. As discussed via the video conference 90% of those affected own less than 2 acres of agricultural which ensures their food security at a bare minimum level and on losing their meagre source of income and houses a question mark can be raised on the future of their coming generations.
2. The most ignored aspect of this project is the issue of environmental and noise pollution. The position taken by the NHA is preposterous at best that first the trees falling within the project area along with the orchards are going to be cut and replaced with new saplings that would takes decades to mature and meanwhile the displaced population will bear the brunt of the environmental pollution waiting for the remedial measures to work and Peshawar the nearest city to the affected areas is already one of the most polluted cities in Pakistan and it would be insane to turn a purely agricultural area into a hub of pollution for apparent benefit. The noise pollution would have an even greater impact since most of this area is already grappling with the ever-increasing volume of noise pollution whereas this project would bring in a level of noise pollution to extreme levels both during the construction phase and the operational phase and no solution has been suggested in the project document besides dubious and unworkable solutions. Reports of various government department on this issue are attached as Annexure A.
3. Besides the issue of loss of livelihood and houses another serious concern over the destruction of their traditional values and culture. As the WB can realize that the whole stretch of land identified to taken over for the project comprises thousands of houses in the vicinity of this elevated highway and houses within range of 50 meters shall be exposed to vehicular traffic day and night and how do they protect their privacy raises a big question mark on the whole project. The women folk cannot be expected to hide their faces within the confines of their own homes. It is also added that the average height of the boundary walls in this area is around 11 feet so how can they maintain their purdah with the height of the road at 22 feet and additionally the height of the vehicles plying the road would raise the total height to around 30 feet severely affecting the ability of the women folk to perform their daily chores fully exposed to unknown individual like the truck and bus drivers plying the proposed route.
4. The community is surprised at the attitude of the World Bank for reviving a sick project that was signed in 2018 with multiple changes in the alignment from time to time. Having

some experience on working with WB projects it is surprising that the loan commitments have been extended without any plausible reasons by the WB and to our understanding all donor projects are time bound and are invariably shelved if satisfactory progress is not achieved within a certain time frame. The community is baffled by the approach of the WB for their affiliation for this particular project.

5. After the passage of the Ordinance for Amendment to the NHA act the NHA has only the mandate to construct link roads from one Motorway to another and in this case no motorway exists at either end. (Annexure B)
6. The community was never consulted on the viability, economic benefit and ways to alleviate their concerns. Though there were no general elections for an extended period of time but the elected local bodies members representing the community were never consulted and to the best of our knowledge all the documents submitted to the Executive Board were based on assumption rather than proper consultation process with the community. A list of members of the local bodies is attached to confirm that only irrelevant people were consulted and duped by informing that the surveys are intended to assess the need for WB and UNHCR assistance without any mention of the road project. (Annexure C).
7. Another issue prevalent in the area is the disparity between ownership documents and possession and cultivation of the land. The only settlement of this issue was done in 1927 and since then this has not been discussed or deliberated upon by the government so a constant conflict exists between the two groups in the whole belt. This seriously affects the land compensation issue and there exists a distinct possibility of armed conflict between the absentee owners and tillers.
8. As mentioned earlier there have been multiple changes to the alignment of this project and the community would like to know how can the WB allow a change in the scope of work. Having personnel project experience, it is one of the most difficult tasks to continually alter the scope and quantity of work.
9. All the regulatory agencies like the Agriculture Department, Forest Department, Environmental Protection Agency and many other departments have disagreed with the contentions of NHA. (Annexure A)
10. The project is supposed to be a component of the KP Economic Corridor linking Pakistan and Afghanistan for trade facilities but with daily clashes on the borders between the two countries who in their right mind would conceive and execute such a project and the mortal fear of the community is that after destroying our livelihood the project will be eventually abandoned in light of the prevalent geopolitical situation.
11. No government agency has ever paid the agreed compensation in a timely manner, the case in point being the SNGPL destroying a vast stretch of agricultural land and people are waiting for compensation for the last 6 years. The compensation paid for land acquisition is pittance compared to the going market rate as determined by the Land Acquisition Act of 1894 and no changes to the Act have been made for more than a century so the anguish of the community can be appreciated and the government has a poor record of payment to the affected community so the WB is requested to join in the determination of a fair market rate if the project somehow takes off.
12. Dozens of our graveyards are going to be uprooted so in the end the community will not have a place to live in, no means of livelihood and no place to be buried in. The NHA report

that indicates graveyards is based on the Land Settlement of 1927 and has not been revised in almost a century and dozens of private graveyards of individuals have come up and have been conveniently ignored in the appraisal report.

13. We are thankful to the Pakistan chapter of Human Rights Watch and the Daily Dawn for taking notice and writing a comprehensive report on the repressive colonial era Land Acquisition Act of 1894 which has affected a large segment of the population in this country. The report is shared as (Annexure D)
14. An unfortunate act of violence did occur in the project area against the survey staff of project and the lynching was prevented by the intervention of the area elders and members of the local bodies but we foresee more of these incidents if the project is continued.
15. A court of law has already issued an injunction against any progress on the project and we fear a long drawn legal battle reaching the Supreme Court of Pakistan and its up to the WB to imagine the delays this project is going to face in the coming years.
16. Please Find (Annexure E) i.e., signatures of the affected from different villages of the project area.
17. List of the emails (Correspondence with World Bank) attached as Annexure F.

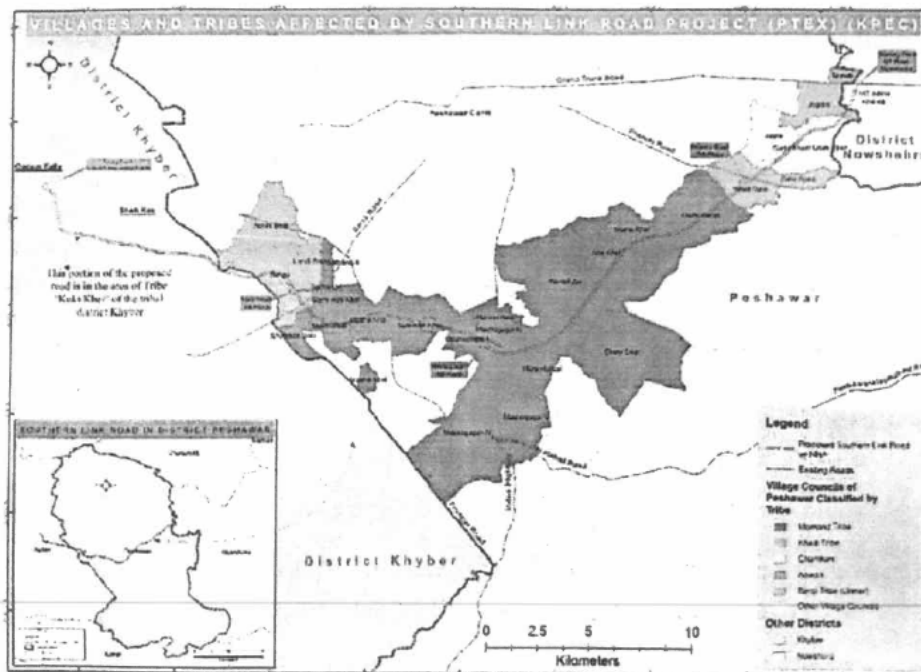
In light of the above we seriously believe that the WB Executive Board has been misled on the benefits of this project and requires a serious investigation and inquiry.

2. What is the name of the World Bank project? (If known)

Pakistan Khyber Pass Economic Corridor Project (P159577)

3. Where is the World Bank project located? (Please include country name)

Between Tarnab and Sango (in districts of Nowshera and Peshawar KPK Pakistan)



4. Do you live in the project area?

Yes

5. Have your concerns previously been reported to the World Bank? If yes, please provide the details about those communications and explain why you are not satisfied with the Bank's response.

The community nominated me to write to WB regarding our concern and several emails were written and answered by the Bank. (Annexure D)

6. If known, please list the World Bank's operational policies procedures you believe have not been followed.

- Consultations not held with the community at any level.
- Environmental concerns not addressed.
- Our social norms not taken into consideration.
- Our displacement and loss of livelihoods not addressed.

7. Do you expect any form of retaliation or threats for filing this complaint?

YES

Several of our villagers are under police radar for participating in protest meetings against this project.

8. In addition to receiving information about the Compliance investigation process, would you also like to receive information about the option of dispute resolution?

Yes

Section 2: Contact Information

9. Are you complainants or a representative of complainants*?

Complainants:

Representing a complainant or community:

Other: (Please explain)

10. Would you like your name and contact details to be kept confidential? (We will not disclose your identities to anyone without your prior consent.) Yes No

11. Complainants' or representatives' names (minimum two names and signatures are required):

| | Complainant /Representative 1 | Complainant /Representative 2 |
|---------|-------------------------------|-------------------------------|
| Name | [REDACTED] | [REDACTED] |
| Address | [REDACTED] | [REDACTED] |
| Phone | [REDACTED] | [REDACTED] |
| Email | [REDACTED] | [REDACTED] |

12. By completing and submitting this form, we authorize the Inspection Panel to investigate the issues as described in this form.

| Signature 1 | Signature 2 |
|-------------|-------------|
| [REDACTED] | [REDACTED] |

Signatures (more signatures can be sent as an attachment)

Your personal data will only be used and disclosed for the purpose for which it was collected in accordance with the WBG Data Privacy Policy. Inspection Panel will not disclose information provided by complainants that may reveal their identity outside of responsible World Bank units without their consent.

NOTES:

- **If you are a representative of complainants, we will need a letter from the complainants authorizing you to represent them.*
- *Please attach supporting documents, if available.*
- *If you have any difficulty in completing the form, please contact the World Bank Accountability Mechanism at Email: ipanel@worldbank.org or by phone: +1-202-458-5200.*

We Reject Southern Bypass Link Road (KPEC)

| No | Name | CNIC | Phone No | Designation | Signature |
|----|------|------|----------|-------------|-----------|
| 1 | | | | | |
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| 11 | | | | | |
| 12 | | | | | |

We Reject Southern Bypass link Road (KPEC)

| S.NO | Name | CNIC | Phone No | Designation | Signature |
|------|------|------|----------|-------------|-----------|
| 1 | | | | | |
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| 19 | | | | | |

LIST OF AFFECTEES

Village Name



| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
|------|--------------------|-------------|---------|----------------------------|
| 1 | | | | |
| 2 | | | | |
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| 14 | | | | |
| 15 | | | | |
| 16 | | | | |

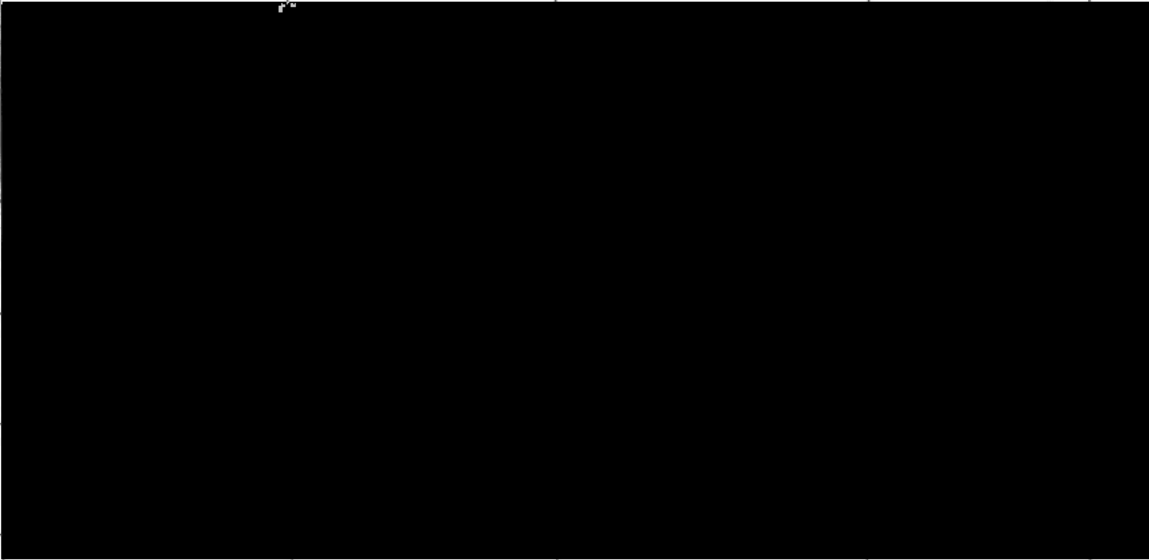
LIST OF AFFECTEES

Village Name [REDACTED] NEIGHBORHOOD [REDACTED]

| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
|------|--------------------|-------------|------------|----------------------------|
| ① | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| ② | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| ③ | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| ④ | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
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LIST OF AFFECTEES

Village Name  NEIGHBORHOOD 

| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
|------|--|-------------|---------|----------------------------|
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LIST OF AFFECTEES

Village Name



NEIGHBORHOOD



| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
|------|--------------------|-------------|---------|----------------------------|
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LIST OF AFFECTEES

Village Name [REDACTED] NEIGHBORHOOD [REDACTED]

| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
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LIST OF
AFFECTEES

Village Name

| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
|------|--------------------|-------------|---------|----------------------------|
| 1. | | | | |
| 2. | | | | |
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| 11. | | | | |
| 12. | | | | |

LIST OF
AFFECTEES

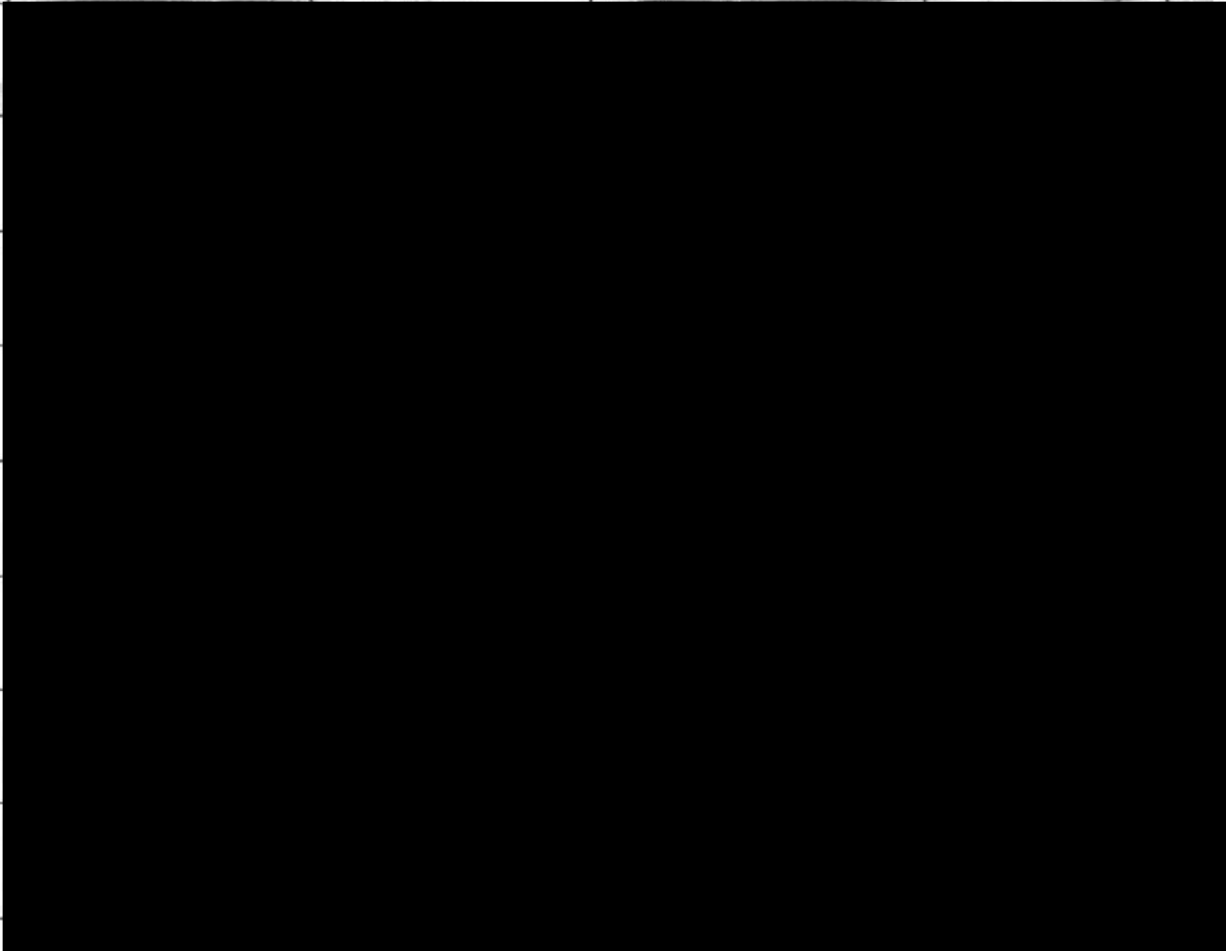
Village Name



| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
|------|--------------------|-------------|------------|----------------------------|
| 1. | [Redacted] | [Redacted] | [Redacted] | [Redacted] |
| 2. | | | | |
| 3. | | | | |
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LIST OF
AFFECTEES

Village Name _____

| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
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LIST OF
AFFECTEES

Village Name



| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
|------|--------------------|-------------|---------|----------------------------|
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LIST OF AFFECTEES

Village Name

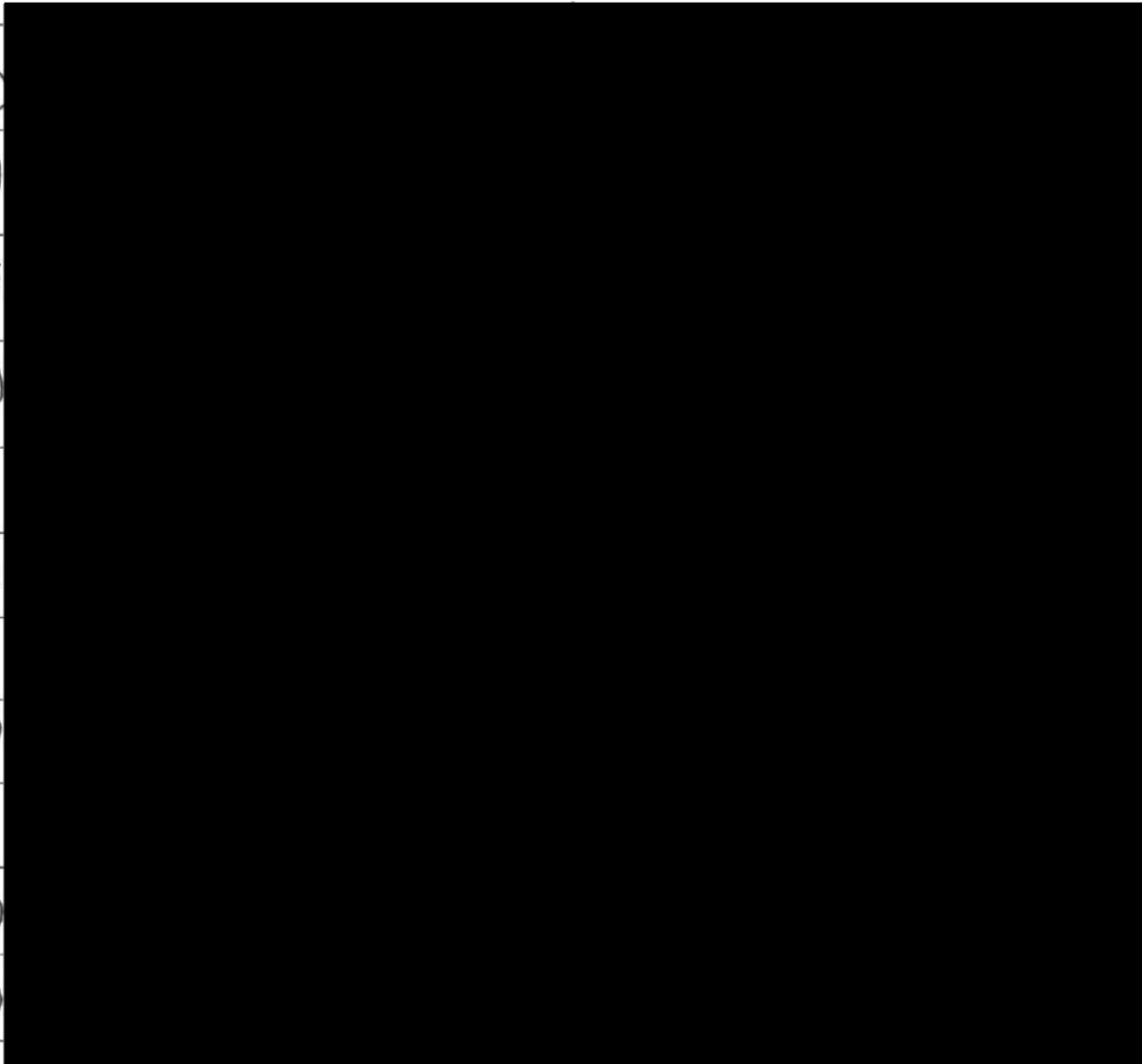


NEIGHBORHOOD



| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
|------|--------------------|-------------|---------|----------------------------|
| (1) | | | | |
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| (4) | | | | |
| (5) | | | | |
| (6) | | | | |
| (7) | | | | |
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| (11) | | | | |
| (12) | | | | |

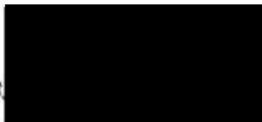
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LIST OF
AFFECTEES

Village Name



| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
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LIST OF AFFECTEES

Village Name [REDACTED]

[REDACTED]

| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
|------|--------------------|-------------|---------|----------------------------|
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LIST OF
AFFECTEES

Village Name

| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
|------|--------------------|-------------|---------|----------------------------|
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LIST OF
AFFECTEES

Village Name



| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
|------|--------------------|-------------|---------|----------------------------|
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LIST OF
AFFECTEES

Village Name



| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
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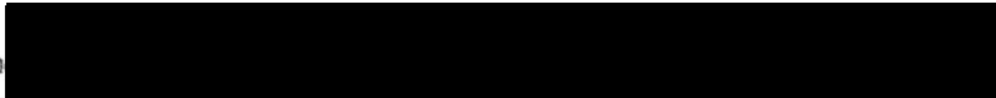
LIST OF
AFFECTEES

Village Name [REDACTED]

| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
|------|--------------------|-------------|------------|----------------------------|
| 1 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 2 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 3 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
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LIST OF
AFFECTEES

Village Name



| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
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LIST OF
AFFECTEES

Village Name



| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
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LIST OF AFFECTEES

Village Name

| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
|------|--------------------|-------------|---------|----------------------------|
| 1 | | | | |
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| 11 | | | | |
| 12 | | | | |

LIST OF AFFECTEES

Village Name

| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
|------|--------------------|-------------|---------|----------------------------|
| 13 | | | | |
| 14 | | | | |
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| 21 | | | | |
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| 23 | | | | |
| 24 | | | | |

LIST OF AFFECTEES

Village Name

| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb on |
|------|--------------------|-------------|---------|-----------------------|
| 25 | | | | |
| 26 | | | | |
| 27 | | | | |
| 28 | | | | |
| 29 | | | | |
| 30 | | | | |
| 31 | | | | |
| 32 | | | | |
| 33 | | | | |
| 34 | | | | |
| 35 | | | | |
| 36 | | | | |

LIST OF AFFECTEES

Village Name

| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
|------|--------------------|-------------|---------|----------------------------|
| 37 | | | | |
| 38 | | | | |
| 39 | | | | |
| 40 | | | | |
| 41 | | | | |
| 42 | | | | |
| 43 | | | | |
| 44 | | | | |
| 45 | | | | |
| 46 | | | | |
| 47 | | | | |
| 48 | | | | |

LIST OF AFFECTEES

Village Name

| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb impression |
|------|--------------------|-------------|---------|-------------------------------|
|------|--------------------|-------------|---------|-------------------------------|

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60

LIST OF AFFECTEES

Village Name

| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
|------|--------------------|-------------|---------|----------------------------|
|------|--------------------|-------------|---------|----------------------------|

61

62

63

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69

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71

72

LIST OF AFFECTEES

Village Name



| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
|------|--------------------|-------------|---------|----------------------------|
| 1 | | | | |
| 2 | | | | |
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| 12 | | | | |

LIST OF AFFECTEES

Village Name

| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
|------|--------------------|-------------|---------|----------------------------|
| 13 | | | | |
| 14 | | | | |
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| 22 | | | | |
| 23 | | | | |

LIST OF AFFECTEES

Village Name



| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
|------|--------------------|-------------|---------|----------------------------|
| 24 | | | | |
| 25 | | | | |
| 26 | | | | |
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| 34 | | | | |
| 35 | | | | |

LIST OF AFFECTEES

Village Name



| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
|------|--------------------|-------------|---------|----------------------------|
|------|--------------------|-------------|---------|----------------------------|

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| 36 | | | | |
| 37 | | | | |
| 38 | | | | |
| 39 | | | | |
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| 42 | | | | |
| 43 | | | | |
| 44 | | | | |
| 45 | | | | |
| 46 | | | | |
| 47 | | | | |

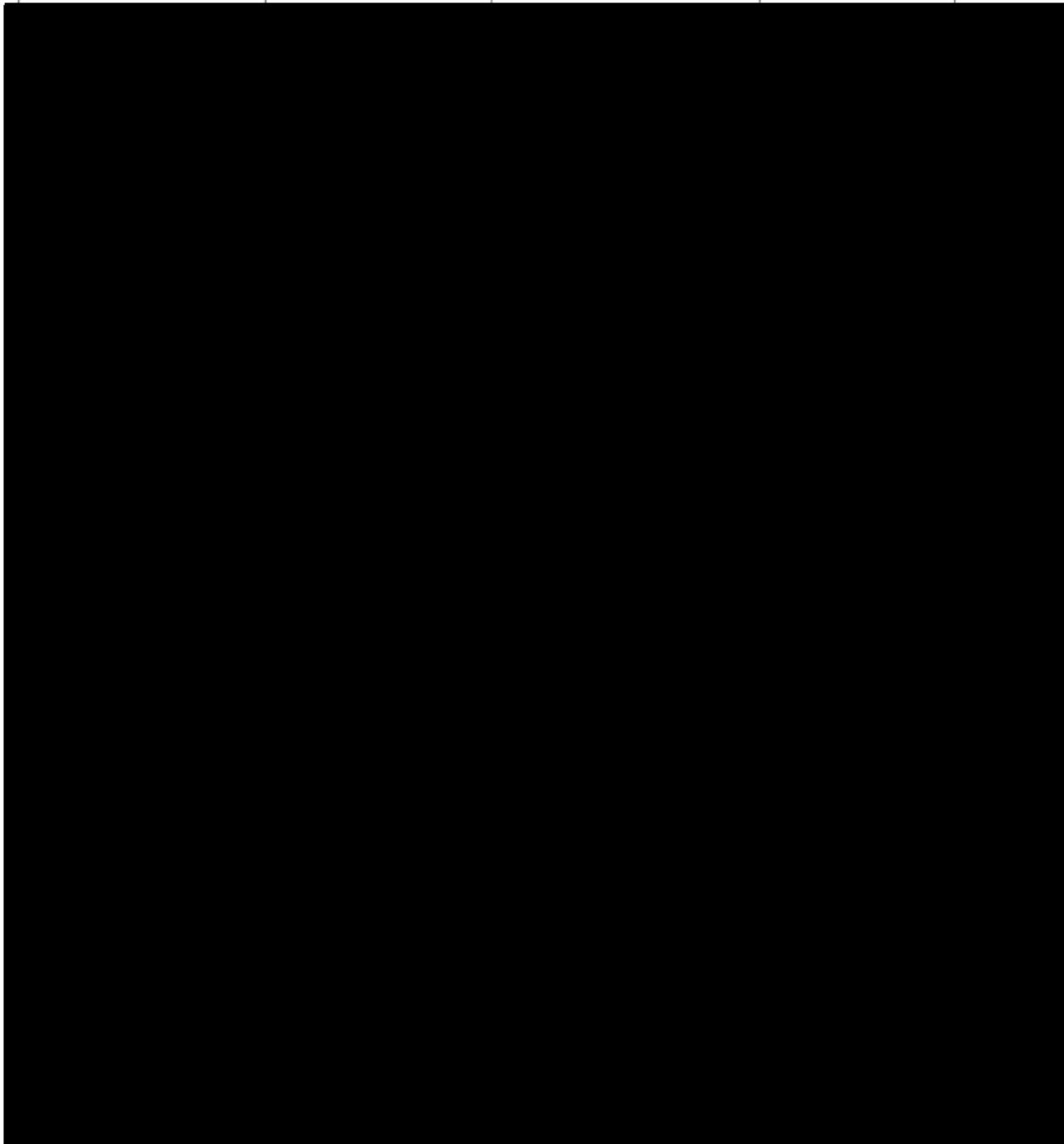
LIST OF AFFECTEES

Village Name



| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
|------|--------------------|-------------|---------|----------------------------|
|------|--------------------|-------------|---------|----------------------------|

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- 49
- 50
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LIST OF AFFECTEES

Village Name

| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
|------|--------------------|-------------|---------|----------------------------|
| 60 | | | | |
| 61 | | | | |
| 62 | | | | |
| 63 | | | | |
| 64 | | | | |
| 65 | | | | |
| 66 | | | | |
| 67 | | | | |
| 68 | | | | |
| 69 | | | | |
| 70 | | | | |
| 71 | | | | |

LIST OF AFFECTEES

Village Name

| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
|------|--------------------|-------------|---------|----------------------------|
| 72 | | | | |
| 73 | | | | |
| 74 | | | | |
| 75 | | | | |
| 76 | | | | |
| 77 | | | | |
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| 79 | | | | |
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| 82 | | | | |
| 83 | | | | |

LIST OF AFFECTEES

Village Name



| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
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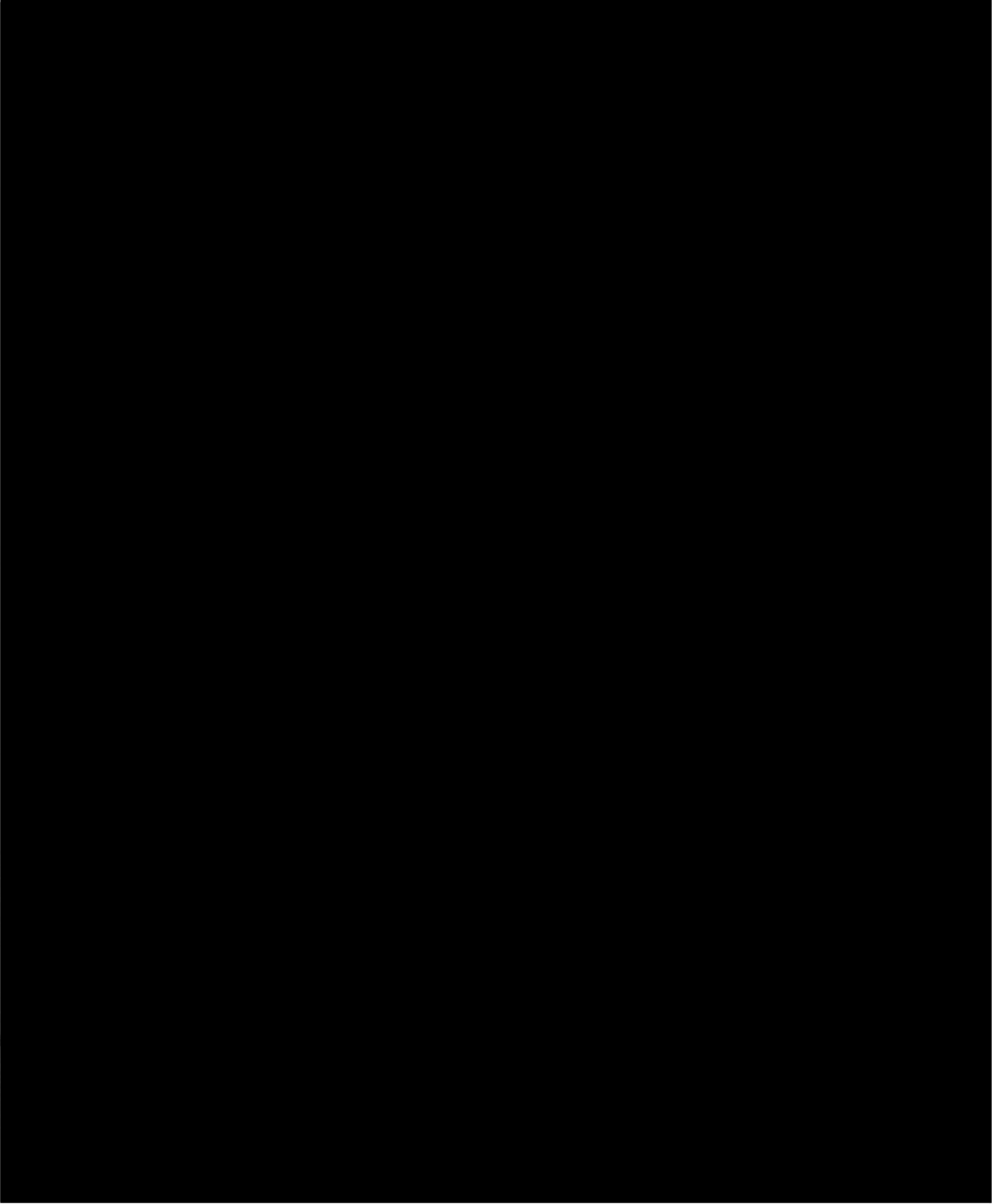
91

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LIST OF AFFECTEES

Village Name



| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
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| 103 | | | | |
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| 106 | | | | |
| 107 | | | | |

LIST OF AFFECTEES

Village Name

| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
|------|--------------------|-------------|---------|----------------------------|
| 108 | | | | |
| 109 | | | | |
| 110 | | | | |
| 111 | | | | |
| 112 | | | | |
| 113 | | | | |
| 114 | | | | |
| 115 | | | | |
| 116 | | | | |
| 117 | | | | |
| 118 | | | | |
| 119 | | | | |

LIST OF AFFECTEES

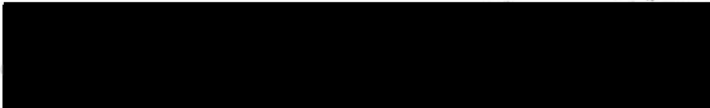
Village Name



| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
|------|--------------------|-------------|---------|----------------------------|
| 120 | | | | |
| 121 | | | | |
| 122 | | | | |
| 123 | | | | |
| 124 | | | | |
| 125 | | | | |
| 126 | | | | |
| 127 | | | | |
| 128 | | | | |
| 129 | | | | |
| 130 | | | | |
| 131 | | | | |

LIST OF AFFECTEES

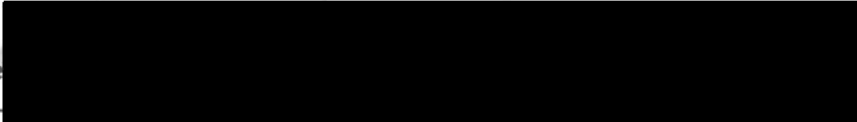
Village Na



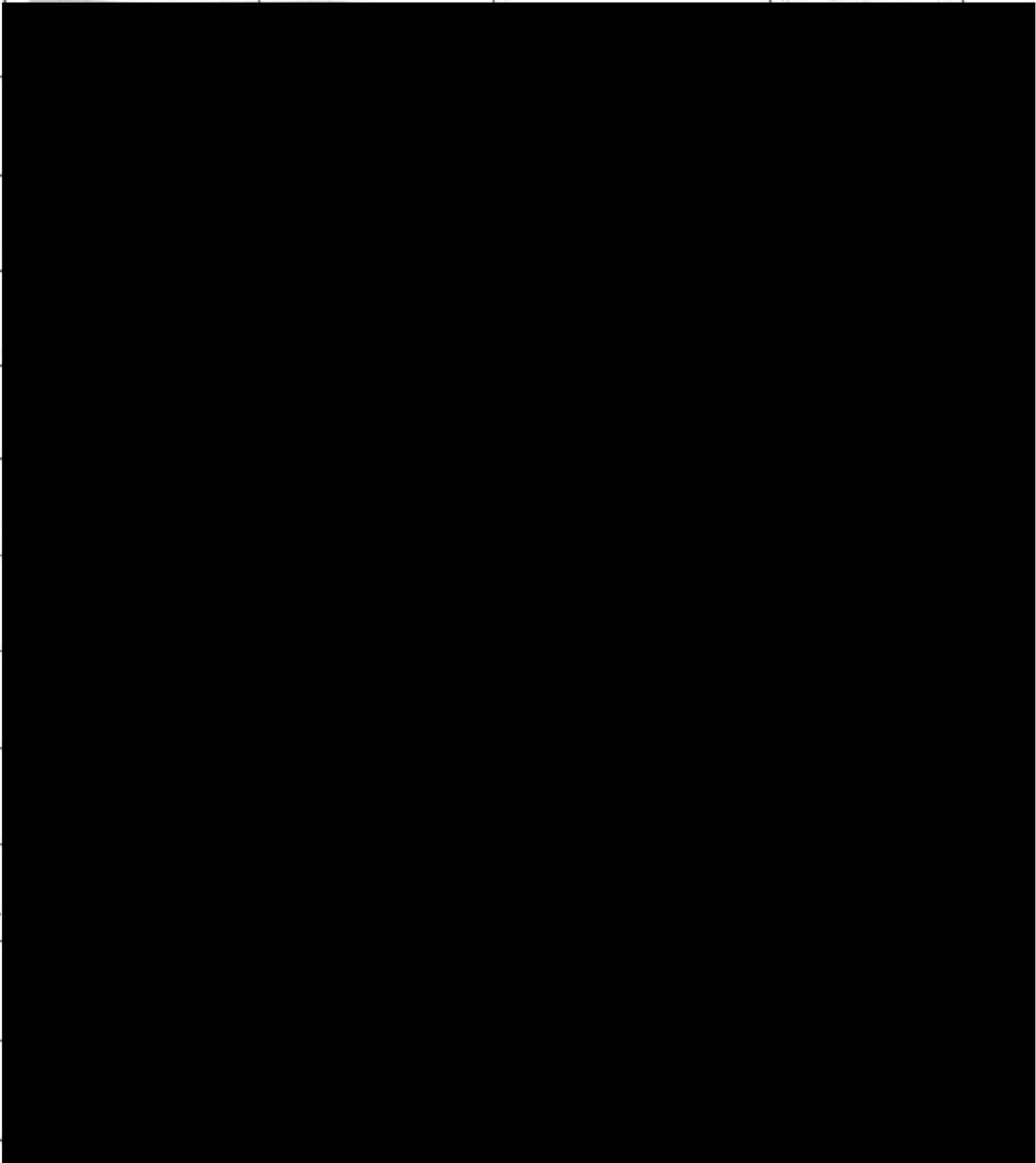
| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
|------|--------------------|-------------|---------|----------------------------|
| 132 | | | | |
| 133 | | | | |
| 134 | | | | |
| 135 | | | | |
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LIST OF AFFECTEES

Village Name



| S.NO | Name Of the Person | Father Name | CNIC NO | Signature/Thumb Impression |
|------|--------------------|-------------|---------|----------------------------|
| 137 | | | | |
| 138 | | | | |
| 138 | | | | |
| 140 | | | | |
| 141 | | | | |
| 142 | | | | |
| 143 | | | | |
| 144 | | | | |
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LIST OF
AFFECTEES

Village Name



| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
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LIST OF AFFECTEES

Village Name



| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
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LIST OF
AFFECTEES

Village Name _____

| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
|------|--------------------|-------------|---------|----------------------------|
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LIST OF AFFECTEES

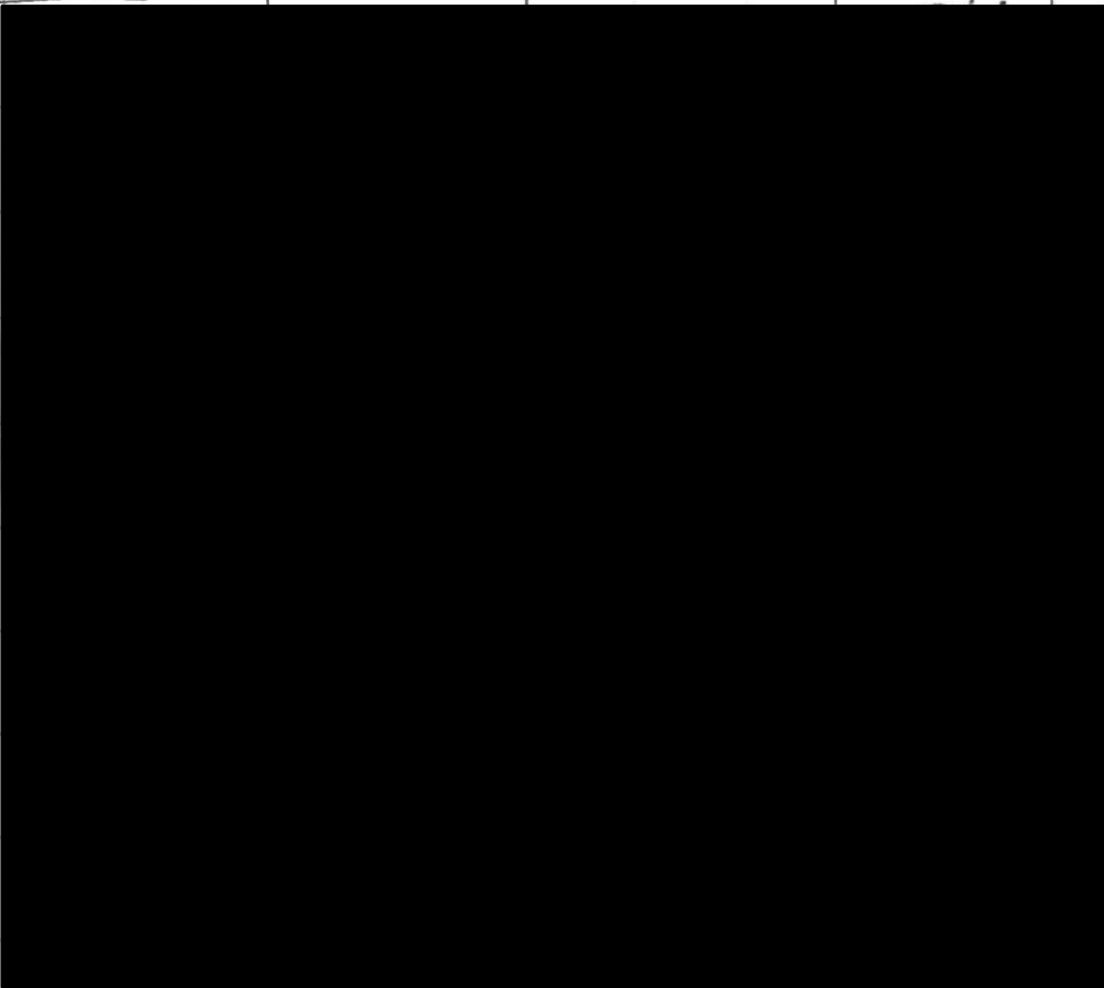
Village Name



| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
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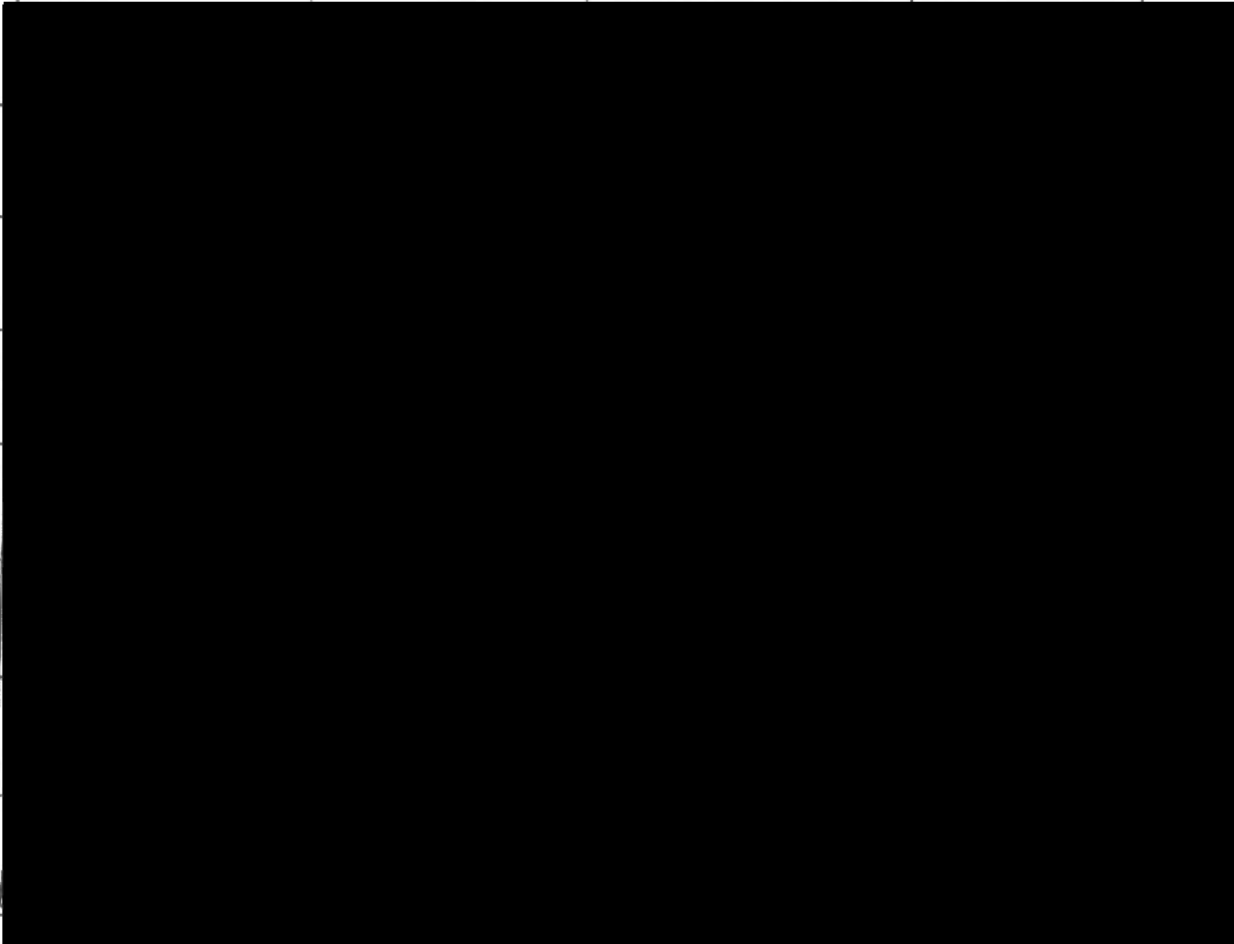
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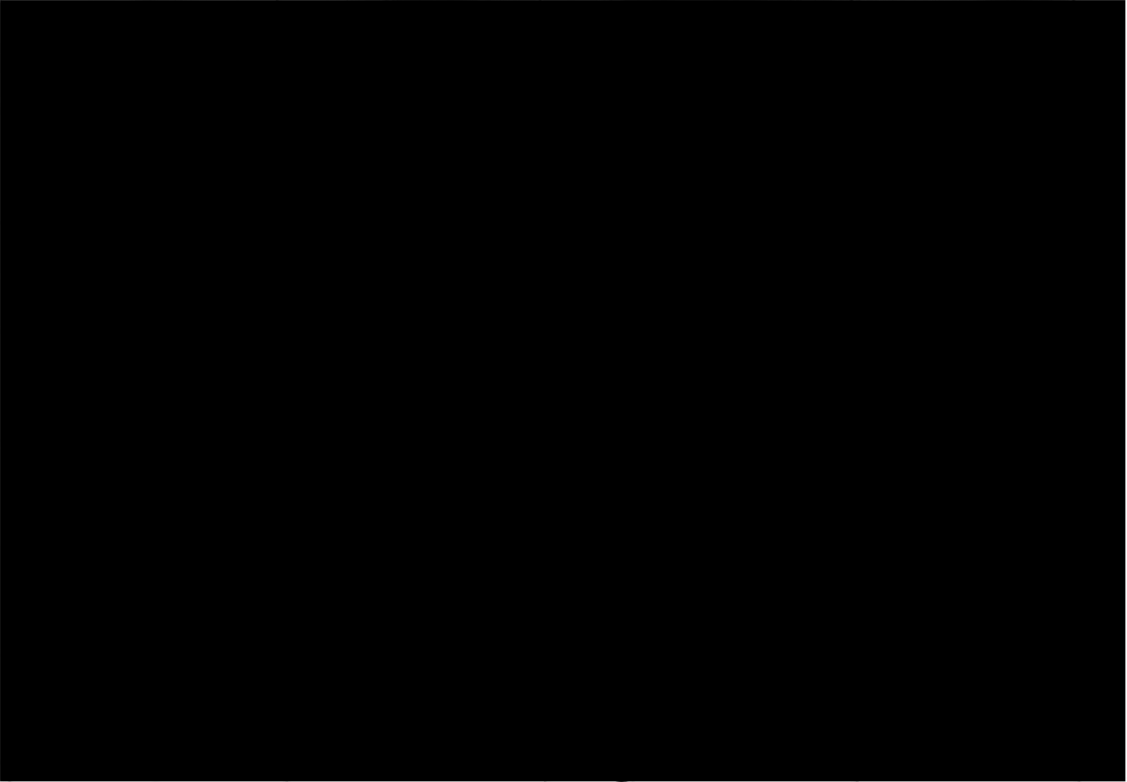
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LIST OF AFFECTEES

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LIST OF
AFFECTEES

Village Name



| S.NO | Name Of The Person | Father Name | CNIC NO | Signature/Thumb Impression |
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List of Documents Attached to the Request

These documents may be available upon request to the Inspection Panel.

| # | Document Title | Summary |
|---|-----------------|---|
| 1 | Annexure A | An excerpt from a report summarizing the consultation with Government Departments |
| 2 | Annexure B | Ordinance No. V of 2023, An Ordinance to amend the National Highway Authority Act, 1991 |
| 3 | Annexure C | A list of names, contact information and signatures that the Request states are of members of local bodies who were consulted for the Project's survey activities |
| 4 | Annexure D | An article from Dawn titled, "Govt urged to repeal 'abusive' colonial-era land acquisition law" |
| 6 | Annexure F | Email correspondences between the Requesters and the Bank's Grievance Redress Services |
| 7 | Other Documents | <ul style="list-style-type: none">• Court Stay Order dated May 29, 2024• October 24, 2023 resolution nominating an individual [name redacted] as a convener of the committee on the construction of the Southern Link Road |

Management Response

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

Management has reviewed the Request for Inspection of the Pakistan: Khyber Pass Economic Corridor Project (P159577) received by the Inspection Panel on June 1, 2024, and registered on July 8, 2024 (RQ24/04). Management has prepared the following response.

August 8, 2024

CONTENTS

| | |
|---|-----------|
| Abbreviations and Acronyms | iv |
| Executive Summary | v |
| I. INTRODUCTION..... | 1 |
| II. THE REQUEST..... | 1 |
| III. PROJECT BACKGROUND..... | 2 |
| IV. SPECIAL ISSUES | 7 |
| V. MANAGEMENT’S RESPONSE..... | 10 |

Map

Map 1. IBRD No. 48251

Annex

Annex 1. Claims and Responses

ABBREVIATIONS AND ACRONYMS

| | |
|----------|--|
| CESAP | Construction Environmental and Social Action Plan |
| ECNEC | Executive Committee of the National Economic Council |
| EHSGs | World Bank Group Environmental, Health and Safety Guidelines |
| EMA | External Monitoring Agent |
| ESCP | Environmental and Social Codes of Practice |
| ESIA | Environmental and Social Impact Assessment |
| ESMP | Environmental and Social Management Plan |
| FATA | Federally Administered Tribal Areas |
| GeoLoMap | Geo-Referenced Local Master Plan |
| GRM | Grievance Redress Mechanism |
| IDA | International Development Association |
| IPN | Inspection Panel |
| KP | Khyber Pakhtunkhwa |
| KP-EPA | Khyber Pakhtunkhwa Environmental Protection Agency |
| LRP | Livelihood Restoration Plan |
| NEQS | National Environmental Quality Standards |
| NHA | National Highway Authority |
| PAPs | Project-affected Persons |
| PTEX | Peshawar-Torkham Expressway |
| RAP | Resettlement Action Plan |
| RFP | Request for Proposal |
| ROW | Right-of-Way |
| SLR | Southern Link Road |
| SMP-WGP | Spatial Master Plan for Western Greater Peshawar |
| TPP | Tree Plantation Plan |
| WBG | World Bank Group |
| WGP | Western Greater Peshawar |

EXECUTIVE SUMMARY

The Project

- i. ***The Pakistan - Khyber Pass Economic Corridor Project (the Project) is supported by an IDA Credit of US\$460.6 million equivalent that was approved by the Bank's Board on June 14, 2018.*** The Project Development Objective is to expand economic activity between Pakistan and Afghanistan by improving regional connectivity and promoting private sector development along the Khyber Pass corridor. It will also generate local economic opportunities and create up to 100,000 new jobs in the Khyber district. In terms of connectivity, the Project intends to divert 6,651 vehicles per day from the existing road to a new expressway, benefitting the local communities.
- ii. ***Through Component I (Expressway Development) the Project will finance the detailed design, construction and supervision of the proposed four-lane Peshawar-Torkham Expressway (PTEX) and the Southern Link Road (SLR).*** Together they will reduce transit time and costs of regional and international trade going through the Khyber Pass, extend the Karachi–Lahore–Islamabad–Peshawar Trans-Pakistan Expressway System and form an integral part of the planned Peshawar–Kabul–Dushanbe Motorway. The National Highway Authority (NHA) is the implementing agency for Component I of the Project.
- iii. ***The SLR will be an access-controlled, dual carriageway highway connecting the existing National Highways N-5 and N-55 to the proposed PTEX.*** The SLR will allow heavy goods traffic coming from Karachi and other parts of country to bypass Peshawar city, thereby reducing severe traffic congestion inside Peshawar and improving air quality. The SLR is the focus of the Request for Inspection.
- iv. ***The Project uses a Design-Build modality.*** A characteristic feature of this modality is that the Request for Proposal (RFP) contains a preliminary alignment, and the bidders are invited to submit proposals for both the design and build stages of construction. For the SLR, the environmental and social impact assessment (ESIA) for the preliminary alignment was prepared, consulted upon, and disclosed in January 2024. As part of the Design-Build bidding process, bidders are requested to submit their technical and financial proposal based on their own site investigations and surveys. At this stage, bidders may recommend refinements to the preliminary alignment of the SLR contained in the RFP. However, any such refinements must remain within specific parameters, including a 2-km corridor. ***This contract modality is relevant to the Request because its characteristics explain why the final alignment for the SLR has not yet been determined and may be subject to refinements once a bidder has been selected and the final Design-Build contract issued.*** What the Project authorities have determined so far is a **preliminary alignment** of the SLR corridor. While the SLR ESIA has been prepared, once the SLR alignment is finalized, the Borrower's due diligence documents will have to be updated, reviewed and approved by the Project authorities and the Bank. This process will include consultations with stakeholders on the final alignment, in turn allowing for any outstanding or additional concerns to be heard and discussed.

The Request

v. The Request for Inspection was signed by 448 individuals living in the Project area of Khyber Pakhtunkhwa Province, Pakistan, who are represented by two individuals. The Requesters claim that the SLR will lead to housing loss, food insecurity, and livelihood disruptions. Concerns include inadequate compensation for affected people, delays in payments, and potential conflicts over land ownership. The Requesters also fear the Project may be abandoned without reversing the ensuing adverse impacts such as land acquisition. Environmental and social impacts such as noise, resettlement, and privacy concerns for women are highlighted, with criticism that the Project documents lack viable solutions to address these. Additionally, the Request alleges that community and local elected officials were not consulted about the Project.

Management's Response

vi. ***In Management's assessment, the Request does not demonstrate direct adverse impacts caused by or likely due to any failure of the Bank to implement its policies and procedures.*** Management is of the view that the Request is premature since no works have started and no impacts have materialized to date. There is no indication that the existing mitigation measures prepared in anticipation of the Project in accordance with Bank policy are insufficient to address any potential future impacts.

vii. ***Management is satisfied that the Project's environmental and social safeguard mitigation measures are adequate to address the kind of adverse impacts anticipated by the Requesters.*** The consultations conducted thus far have followed the Bank's policies and procedures. Some elected representatives from local government were not available for consultation during the initial stages of the Project as they had not taken office due to political turmoil at the time. Now that these representatives have assumed office, they will be included in the upcoming consultations to ensure their input is considered. It is also important to clarify that, at this point, no land acquisition has commenced, and consequently, no discussions regarding compensation have taken place.

viii. ***Management has carefully reviewed the concerns raised in the Request and believes that they have been appropriately and adequately addressed through Project design and the corresponding mitigation measures.*** The Bank has been working closely with the NHA, as part of Bank oversight, to support it in meeting the requirements of the applicable Bank policies. The Bank will also work with the NHA to continue and further intensify the dialogue with stakeholders, as well as actively reaching out to Project-affected community members. The NHA is required to mitigate any remaining or emerging concerns about the Project in accordance with Bank policy, and this will be diligently supervised by the Project supervision consultants and the Bank.

ix. ***The Project is still at very early stages of implementation: less than one percent of the loan is disbursed, the bidding process for the SLR is still ongoing, the contractor is yet to be hired, and no land acquisition or physical works have started to date. Management considers that Project activities to date meet the requirements of the***

relevant Bank policies and procedures. The potential risks and impacts raised in the Request have been identified and analyzed in the Project design and safeguard instruments, which set out mitigation measures to respond to environmental and social impacts during the design, construction, and operational phases of the Project. The ESIA, and the mitigation measures contained therein, have been prepared in accordance with Bank policy requirements.

x. ***The Government remains committed to the Project and to improving regional connectivity through the SLR.*** The delays in implementation due to the lengthy Government approval process and the COVID-19 pandemic have not diminished the Government's commitment to the Project. In February 2024, NHA started the bidding process. Bids from seven pre-selected bidders were submitted on June 26, 2024. These bids are currently under evaluation by the NHA. A contractor is expected to be selected by the end of September 2024. The selection of the contractor will also include the approval of the contractor's proposed alignment. After completion of contract award formalities, the contractor will prepare the detailed design within three months of contract signing, i.e., by end January 2025. After the alignment is finalized, the NHA is required to update the ESIA and draft Resettlement Action Plan (RAP) and submit them to the Bank. The ESIA and draft RAP must then be consulted upon and redisclosed, in local language. The NHA will not be able to start any land acquisition until the Bank issues its Letter of No Objection. By the time the final alignment is authorized, there will be greater certainty regarding the actual land required and impacts on Project-affected persons (PAPs).

xi. ***Management recognizes that the placement of crucial road and transportation infrastructure that enhances connectivity can have adverse impacts on local communities. Since 2020, alternative options for the SLR alignment have been considered. The current preliminary alignment has been designed to avoid adverse impacts where feasible, or to minimize them.*** Management notes that some of the concerns raised might be based on outdated information, as the preliminary alignment has since been revised specifically to reduce the number of affected parties and mitigate the Project's impacts. Some of the concerns raised in the Request stem from the preliminary road alignment which – given the nature of the Design-Build contract for the Project – may be substantially revised upon contractor selection in September 2024. The final alignment will be disclosed and presented for consultations with stakeholders. The Requesters also seem to be flagging concerns and allegations of non-compliance that could be based on their experiences with other projects in the area, and that are not related to this Project or supported by the Bank. The Bank will work with the Borrower to help ensure that updated information about the Project design and potential impacts, as well as benefits, is made accessible to all interested stakeholders.

xii. ***Management does not believe that the Project is likely to be abandoned during implementation, despite the concern raised in the Request. The federal and provincial governments have both consistently demonstrated strong commitment to the Project, which has a high national priority.*** However, even in a scenario where the Project could be abandoned, compensation for acquired land and damages would still be payable to affected persons under both national law and Bank policy.

Conclusion

xiii. ***Management believes that the Bank has correctly applied its policies and procedures applicable to the matters raised by the Request. As a result, Management believes that the Requesters' rights or interests have not been, nor are they likely to be, directly or adversely affected by the alleged failure of the Bank to implement its policies and procedures.***

I. INTRODUCTION

1. On July 8, 2024, the Inspection Panel registered a Request for Inspection, IPN Request RQ24/04 (hereafter referred to as “the Request”), concerning the Pakistan: Khyber Pass Economic Corridor Project (P159577) financed by the International Development Association (IDA, or “the Bank”).
2. ***Structure of the Text.*** The document contains the following sections: Section II presents the Request, Section III provides background information on the Project, Section IV discusses special issues that are pertinent to the Request, and Section V contains Management’s response. Annex 1 presents the Requesters’ claims, together with Management’s detailed responses, in table format.

II. THE REQUEST

3. The Request for Inspection was submitted by 448 individuals living in the Project area of Khyber Pakhtunkhwa Province, Pakistan, represented by two individuals (hereafter referred to as the “Requesters”). The Requesters have asked for confidentiality.
4. The Request also contains the following Annexures that were shared:
 - Annexure A An excerpt from a report summarizing the consultation with Government Departments
 - Annexure B Ordinance No. V of 2023, An Ordinance to amend the National Highway Authority Act, 1991
 - Annexure C A list of names, contact information and signatures that the Request states are of members of local bodies who were consulted for the Project’s survey activities
 - Annexure D An article from Dawn titled, “Govt urged to repeal ‘abusive’ colonial-era land acquisition law”
 - Annexure E Annexure E is described in the Request Form as "signatures of the affected from different project area"
 - Annexure F Email correspondence between the Requesters and the Bank’s Grievance Redress Service
 - Other Documents Court Stay Order dated May 29, 2024; October 24, 2023 resolution nominating an individual [name redacted] as a convener of the committee on the construction of the Southern Link Road.

III. PROJECT BACKGROUND

5. ***The Project.*** The Pakistan: Khyber Pass Economic Corridor Project (the Project) was approved by the Board on June 14, 2018, for an IDA Credit of US\$460.60 million equivalent. The Project Development Objective is to expand economic activity between Pakistan and Afghanistan by improving regional connectivity and promoting private sector development along the Khyber Pass corridor. The National Highway Authority (NHA) is the implementing agency for Component I of the Project, while the Sustainable Development Unit of the Planning and Development Department of the Government of Khyber Pakhtunkhwa (KP) is the implementing agency for Component II of the Project. The Project is in EA Category A.

6. ***Project Restructuring.*** The Project was signed on December 13, 2019, after an 18-month delay due to the Borrower's internal approval processes, including initial approval of the PC-1¹ by the Executive Committee of the National Economic Council (ECNEC). At the request of the Government, the Project was restructured in June 2020: (a) to include the KP Planning and Development Department as the responsible implementing entity for Component II; (b) to integrate Component III (and its budget) into Components I and II; and (c) to extend the Project closing date by 23 months to May 28, 2026. The restructuring was completed on June 11, 2020 and the revised PC-1 was cleared by the ECNEC on July 16, 2020. The restructuring reflected key developments that took place between Board approval and signing, in particular the merger of the Federally Administered Tribal Areas (FATA) with Khyber Pakhtunkhwa Province, in which the Khyber district (a key Project district) is situated. The merger was expected and recognized during Project preparation and referenced in the legal agreements, however, the Government requested that the change be formally incorporated into the Project institutional and implementation arrangements.

7. ***Inclusion of the Southern Link Road.*** In addition to the above, the restructuring also incorporated "civil works including associated road-user and administrative infrastructure for the Southern Link Road" into the budget for Component I. Considering the exchange rate gains after the Pakistani Rupee depreciated against the US Dollar in 2019, the Government proposed to the Bank that rather than reducing the loan amount, it would include the Southern Link Road (SLR), which had been considered during preparation in 2017 but not included due to an insufficient financing envelope. The SLR, for which the Government had already set aside a budgetary allocation in 2018 to start the feasibility and design process, would connect National Highways N-5 and N-55 to the proposed Peshawar-Torkham Expressway (PTEX) and help to divert heavy goods traffic coming from Karachi and other parts of the country away from Peshawar city, reduce severe traffic congestion, and improve air quality.

¹ Planning Commission Proforma 1 is a Government of Pakistan document, equivalent to the World Bank Project Appraisal Document (PAD).

8. As of July 16, 2024, the Project has disbursed US\$2.82 million (0.66 percent of the Credit). The Closing Date is May 28, 2026.

9. **Project Components.** The restructured Project has two components:

- **Component I: Expressway Development** (US\$429.57 million of which US\$385.60 million from the IDA Credit). The Project will finance the detailed design, construction and supervision of the proposed four-lane PTEX and SLR, and associated road-user and administrative infrastructure facilities, the laying of fiber optic cables in trenches along the PTEX and SLR, and technical and independent reviews and studies for the preparation of new projects. The PTEX and SLR will reduce transit time and costs for regional and international trade transiting the Khyber Pass and will extend the Karachi–Lahore–Islamabad–Peshawar Trans-Pakistan Expressway System and form an integral part of the planned Peshawar–Kabul–Dushanbe Motorway.

The PTEX will be an access-controlled, dual carriageway expressway with a much-improved geometry compared to the existing N-5 from Peshawar to Torkham. It will feature a 7.3-meter-wide carriageway on each side with 3.0-meter-wide shoulders. Since the Project location is prone to geophysical and climate hazards such as seismic activity, landslides and flash floods, the design and implementation will incorporate technical parameters to increase the expressway’s adaptation to these risks. The design will be subject to road safety audits to identify opportunities for improving road safety.

The SLR will be an access-controlled, dual carriageway expressway connecting the existing N-5 and N-55 to the proposed PTEX. The carriageways on each side will be 7.3 meters wide, with 3.0-meter shoulders. The design will be subject to road safety audits to identify opportunities for improving road safety. ***It is the SLR that is the focus of the Request.*** See Map 1.

- **Component II: Development of the Khyber Pass Economic Corridor** (US\$77.23 million, of which US\$75 million is the IDA Credit). Component II will, in conjunction with other initiatives, maximize the benefits of the PTEX for Western Greater Peshawar (WGP) by alleviating key constraints to the integration of private sector actors in the Khyber agency into global value chains. Component II will have two main sub-components:²
 - **Subcomponent 1 – Technical assistance (US\$7.0 million)** consisting of four distinct activities:

² The Khyber district was one of the seven political agencies (former tribal areas; now known as merged districts) that comprised the former Federally Administered Tribal Areas (FATA), which was merged with KP Province in 2018 through a Constitutional Amendment. The majority of the PTEX runs through the Khyber district, with a few kilometers passing through the Peshawar district. Component II focuses on the former tribal districts specifically, where the needs are the greatest and where initiatives are relatively limited.

- The first activity will develop a Spatial Master Plan for Western Greater Peshawar (SMP-WGP). The SMP-WGP will extend the interim Geo-Referenced Local Master Plan (GeoLoMaP), which mapped existing and planned infrastructure and identified constraints impeding firm productivity and private sector investment.³
 - The second activity includes feasibility studies and engineering designs for priorities identified by the GeoLoMaP.⁴ These priorities include: (i) an integrated logistics hub and industrial/commercial infrastructure to support small and medium enterprise development in viable locations in WGP; (ii) branch roads connecting the PTEX to local and national road networks; (iii) parking terminals upstream from Torkham to complement Asian Development Bank investments and support implementation of the International Road Transportation (transit) Convention (TIR) to reduce waiting time at the border; (iv) development of the urban centers of Jamrud and Landi Kotal;⁵ and (v) an international bus terminal to service buses traveling between Afghanistan and Pakistan.
 - The third activity includes activities to: document, preserve, and promote the cultural heritage of the Khyber Pass and to develop mechanisms to leverage this cultural heritage for economic development; identify sites of cultural and historical significance; and develop and promote sites and products of special cultural and/or historical interest.
 - The fourth activity is an impact evaluation to assess the effects of Component II of the Project on the welfare of the local population.
- ***Sub-component 2: Infrastructure investments and institutional improvements (US\$68 million) to promote the integration of local producers into global value chains.*** Subject to the results of the SMP-WGP and feasibility studies, the second sub-component will finance infrastructure and other investments across WGP, including: (i) local road infrastructure and urban development, including the provision of rest areas with special facilities for women along the PTEX and SLR and connecting roads; (ii) sites of special cultural, historical, and tourist value; (iii) traffic management mechanisms for the N-5 (existing Peshawar-Torkham road); (iv) development of an integrated logistics hub and industrial/commercial infrastructure in viable locations in WGP (in partnership with private sector actors, when appropriate); (v) construction and/or upgrading of roads to ensure connectivity between the PTEX, urban centers in WGP, and Aza Khail Dry Port, etc.; and (vi) an

³ The GeoLoMap also mapped existing and planned hard infrastructure in WGP; identified other initiatives to address the identified constraints; and facilitated the prioritization of future investments by the FATA Secretariat, FATA Development Authority, Government of KP, and other key stakeholders.

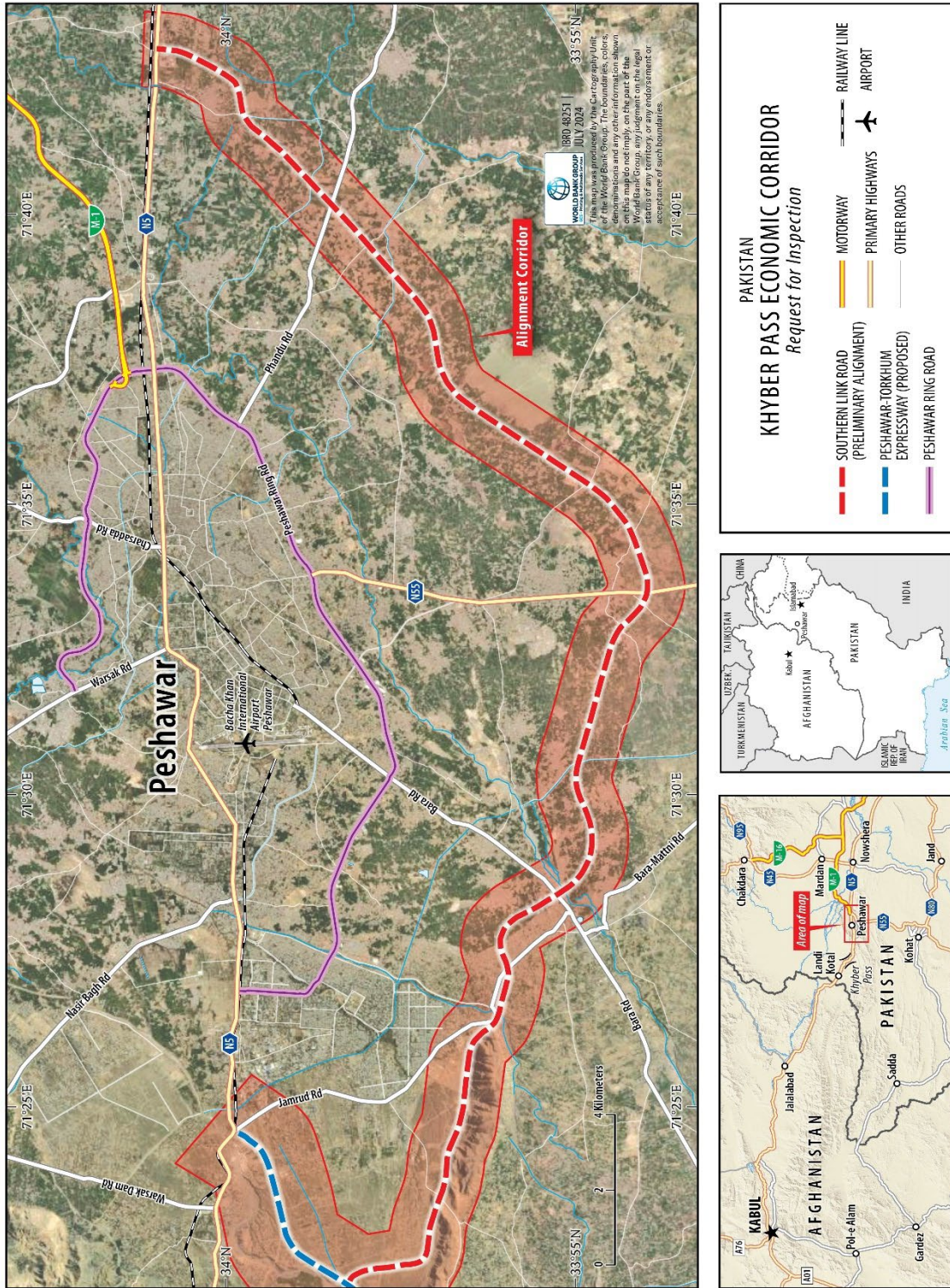
⁴ These are to be undertaken concurrently with the preparation of the SMP-WGP.

⁵ This will build on preparation work completed by the Bank's FATA Urban Centers Project (P125414).

international bus terminal to connect bus services to/from Afghanistan, the Peshawar Bus Rapid Transit system, and domestic bus services.

Activities expected to be financed by Component II will provide regional benefits, address drivers of fragility, and benefit women. Such activities will ease infrastructural and regulatory constraints to the development of cross-border value chains, by linking PTEX – and, by extension, Afghanistan – to both local communities and the broader Pakistan transport network, including the Indus Highway. These activities are further expected to mobilize financing for development, by improving the business environment and infrastructure and by leveraging private sector financing for the development of economic zones following a transparent, inclusive and competitive public-private partnership process. The component is expected to address drivers of fragility by stimulating employment and livelihood opportunities through the promotion of private sector development in the Khyber district.⁶ Financing of economic clusters aims to address various obstacles to women’s employment in these clusters, including gender-sensitive transportation, workplace infrastructure such as separate rest and prayer rooms, toilet facilities and childcare centers, and a harassment-free workplace.

⁶ As identified by the Pakistan Post-Crisis Needs Assessment 2010, such drivers include high unemployment rates among young men, inadequate livelihoods, and absence of sufficient employment opportunities.



Map 1: Southern Link Road (alignment corridor and preliminary alignment)

IV. SPECIAL ISSUES

Design-Build Contracts

10. *The Project is being undertaken using a Design-Build modality, whereby the bidder will also propose the technical design, including refinements to the alignment. This contract modality is relevant to the Request because its characteristics explain why the final alignment for the SLR has not yet been determined and may be subject to refinements once a bidder has been selected and the final Design-Build contract issued. What the Project authorities have determined so far is a preliminary alignment of the SLR corridor.*

11. Design-Build contracts are increasingly being used for large projects by road agencies. They offer advantages in the form of savings in time and cost overruns, as the selected contractor is liable to complete a project within a fixed budget and time. This type of contracting modality also provides the employer the option to select the optimum design, out of the many proposed.

12. The main differences between an Item Rate contract and a Design-Build contract are:

- In a standard Item Rate contract, the employer enters into a contract with a contractor, who agrees to carry out work at-site, based on the design, drawings and quantities provided by the employer, and based on actual measurement of work at-site. In this type of contract, the employer engages a design consultant, whose main role is to go to the field, mark the exact alignment, carry out topographic surveys and soil investigations and prepare a design and bid documents, including a bill of quantities, which prospective bidders fill to offer a priced bid. The lowest compliant bidder wins the bid. In such a contract, the employer is liable for the design. Moreover, the quantities of items are estimated, while the contractor is paid based on actual measurements of works carried out at site. For example, the bill of quantities may estimate a 100 m³ (cubic meter) excavation of earth, but the actual excavation quantity at-site may turn out to be 120 m³, hence the contractor is entitled to be paid for the 120 m³.
- A Design-Build contract is a single contract between an employer and a contractor, where the design and construction of a project is handed over to the contractor. In this kind of contract, the invited bidders propose a design conforming to the employer's requirements, out of which the most advantageous proposal (based on rated criteria, where separate weightages are given to technical and financial aspects) is selected. The selected contractor is liable for the design, and works are paid based on a fixed price, regardless of the quantities of work executed at-site. For example, the contractor had proposed PKR 100 for the excavation of 10 m³ of earth, but in actuality the contractor excavated 20 m³. Despite this, the contractor will still only be paid PKR 100 as per the bid (no change in price).

13. Further characteristics of a Design-Build contract:

- For larger contracts, bidders are initially selected (pre-qualified).
- The employer prepares the requirements, a document that sets out the criteria (geometric, pavement, structure design requirements, standards, environmental and social requirements, etc.) This document forms an integral part of the Request for Proposal (RFP) that is issued to the initially selected bidders. The RFP also specifies the evaluation criteria, along with the weighting for the technical and financial proposals.
- The employer prepares the Environmental and Social Impact Assessment (ESIA), resettlement plan and other safeguard documents based on the preliminary design and alignment provided in the RFP.

14. In the case of road projects, depending on the circumstances, the employer can provide either a fixed alignment or a corridor.⁷ For example, in hilly or mountainous terrain where different engineering solutions, such as tunnels, bridges, etc., can be proposed for connecting two points, the employer may opt to provide a corridor, which may result in proposals that include multiple design/engineering solutions, from which the most advantageous can be selected. Alternatively, in a flat terrain with few constraints or hindrances, where variations in design would be limited, the employer may simply opt to provide a fixed alignment to the bidders.

15. With corridors, bidders have flexibility in terms of the centerline of the road, as long as it remains within the criteria given in the RFP. The bidders propose a design (based on their own site investigations, surveys, etc.) and construction cost for the project, with sufficient detail to allow the employer to make an evaluation. The proposal with the highest combined technical and financial score is awarded the contract. It is at this point that the bidder's proposed alignment is also approved – which now becomes the final alignment. The Right-of-Way (ROW) is also established at this stage.

16. After contract award and fulfilment of other formalities, the selected contractor starts detailed field investigations and preparation of detailed designs. These designs are reviewed by the employer (through its own design review consultants); after approval, the contractor can commence work.

17. In parallel, once the alignment (the now final alignment) has been approved, while the contractor is preparing detailed designs, the employer begins the actual land acquisition process. In the case of a Bank-financed project, this includes updating the resettlement plan and other safeguard documents, paying the required compensation, and obtaining a Letter of No Objection from the World Bank to proceed towards possession of the land. As per the norm in road construction contracts, sections of the alignment are handed over to the contractor as and when land acquisition formalities are completed.

⁷ For the SLR, the employer (NHA) has provided a 2-km corridor, allowing bidders to suggest an alignment staying within the corridor.

18. In accordance with Bank policy and the laws in Pakistan, no land acquisition may take effect until the final alignment has been approved, the ESIA and draft Resettlement Action Plan (RAP) have been updated and re-disclosed, and compensation payments made. The ROW, once established, will be 100 meters wide.

19. ***The Notifications issued to some landowners for the Project in the ROW of the preliminary alignment (under LAA Section 4 and KP Amendment, 2020) are preliminary notifications.*** They are issued when the Government determines that land in a locality is needed or is likely to be needed for any public purpose. These Notifications do not affect the right to use the land. Routine agricultural activities, cultivation, and normal usage by the occupants can continue. Government officials may not enter private properties without the consent of the occupant. If damages to the property are incurred during that stage, LAA Section 5 provides for compensation.⁸

20. ***The Requesters expressed a concern that land that may be acquired by the Government for the SLR may eventually not be needed for the Project. However, the process to apply the Land Acquisition Act 1894 (LAA) has several stages and can be stopped and revoked for land that is eventually not needed.*** Once the alignment is finalized and approved by Project authorities, the revised RAP will cover compensation for affected land parcels, while land not needed for the Project would be released.

21. ***Based on the final alignment of the SLR, acquired land will be compensated for in accordance with Bank policy requirements.*** Any land for which a preliminary Section 4 Notification was issued but which is no longer needed for the SLR would be released to the owner when the government terminates the process without acquiring the land.

⁸ [THE LAND ACQUISITION ACT 1894.pdf \(kp.gov.pk\)](#)

V. MANAGEMENT'S RESPONSE

22. The Requesters' claims, accompanied by Management's detailed responses, are provided in Annex 1.

23. ***Management has carefully reviewed the concerns raised in the Request and believes that they have been appropriately and adequately addressed through Project design and the corresponding mitigation measures.*** Implementation of the SLR under Component I is still at an early stage; no construction has started. The Bank has been working closely with the NHA, as part of Bank oversight, to support the NHA in meeting the requirements of the applicable Bank policies during implementation. The Bank will also work with the NHA to continue and further intensify the dialogue with stakeholders, as well as actively reaching out to Project-affected community members. The NHA is required to mitigate any remaining or emerging concerns about the Project in accordance with Bank policy, and this will be diligently supervised by the Project supervision consultants and the Bank.

24. ***In Management's assessment, the Request does not demonstrate direct adverse impacts caused by or likely due to any failure of the Bank to implement its policies and procedures.*** Management is of the view that the Request is premature since no works have started and no impacts have materialized to date. There is no indication that the existing mitigation measures prepared in anticipation of the Project in accordance with Bank policy are insufficient to address any potential future impacts. Management is satisfied that the Project environmental and social safeguard mitigation measures are adequate to prevent the kind of adverse impacts anticipated by the Requesters.

25. ***Management recognizes that the placement of crucial road and transportation infrastructure that enhances connectivity can have adverse impacts on local communities. Since 2020, alternative options for the SLR alignment have been considered. The current preliminary alignment has been designed to avoid adverse impacts where feasible, or to minimize them.*** Management notes that some of the concerns raised might be based on outdated information, as the preliminary alignment has since been revised specifically to reduce the number of affected parties and mitigate the Project's impacts. Some of the concerns raised in the Request stem from the preliminary road alignment which – given the nature of the Design-Build contract for the Project – may be substantially revised upon contractor selection in September 2024. The final alignment will be disclosed and presented for consultations with stakeholders. The Requesters also seem to be flagging concerns and allegations of non-compliance that could be based on their experiences with other projects in the area, and that are not related to this Project or supported by the Bank. The Bank will work with the Borrower to help ensure that updated information about the Project design and potential impacts, as well as benefits for local communities, is made accessible to all interested stakeholders.

26. ***The Project is still at very early stages of implementation: less than one percent of the loan is disbursed, the contractor is yet to be hired, the bidding process for the SLR is still ongoing, and no land acquisition or physical works have started to date. Management considers that Project activities to date meet the requirements of the***

relevant Bank policies and procedures. The potential risks and impacts raised in the Request have been identified and analyzed in the Project design and safeguard documents, which set out mitigation measures to respond to environmental and social impacts during the design, construction, and operational phases of the Project. The ESIA, and the mitigation measures contained therein, have been prepared in accordance with Bank policy requirements. As explained above (Section IV), the bidding process for the contractor is still underway. Once a contractor has been selected, the alignment of the road corridor will be reviewed and finalized. After the alignment is finalized, the NHA is required to update the ESIA and draft RAP and submit them to the Bank. This process will include consultations with stakeholders on the final alignment, in turn allowing for any outstanding or additional concerns to be heard and discussed. The NHA will not be able to start any land acquisition until the Bank issues its Letter of No Objection. By the time the final alignment is authorized, there will be greater certainty regarding the actual land required and impacts on Project-affected persons (PAPs).

Specific Issues Raised in the Request

Land Acquisition and Resettlement

27. **Road alignment.** Operational Policy (OP) 4.12 requires involuntary resettlement to be avoided where feasible, or minimized, by exploring all viable alternative project designs. Following the Design-Build modality for the SLR, bidders either endorse the preliminary alignment or introduce refinements/adjustments to it in their bid, staying within a 2-km corridor.

28. The draft RAP and Livelihoods Restoration Plan (LRP) are based on the preliminary SLR alignment. If the selected bidder has proposed alignment modifications and is awarded the contract, then the updated, finalized and approved alignment replaces the preliminary alignment. Once the contract has been awarded, the bidder has three months to prepare detailed designs and drawings to inform construction. The Bank will continue to work with NHA to ensure that the modified alignment avoids or minimizes involuntary resettlement. Based on the modified alignment agreed between the Bank and the NHA, the NHA then undertakes stakeholder consultations and makes the necessary updates to the RAP (and ESIA) to reflect the bidder's design modifications and feedback from consultations. The exact land parcels, livelihoods, and assets affected by the final alignment and the SLR ROW will be reflected in the updated RAP.

29. **Compensation. No land acquisition has occurred to date and hence no compensation for land has been determined or offered.** The Requesters' concern about insufficient compensation appears to be based on reports or experiences with previous land acquisitions unrelated to the Project or the Bank.⁹ The Bank requires that the Project follow Bank policy, specifically OP 4.12 on Involuntary Resettlement, as well as

⁹ The Request specifically refers to the construction of the *Sui Northern Gas Pipeline Limited*, which is not supported by the Bank, nor is it linked in any way to the Project.

Pakistan's LAA 1894 and its successive amendments.¹⁰ The Bank is aware of the differences between LAA 1894 and OP 4.12. The draft RAP provides a comparison of the two and includes measures to reconcile the inconsistencies between the LAA 1894 and its KP Amendment, and OP 4.12.

30. OP 4.12 on Involuntary Resettlement requires payment of compensation at **replacement cost** prior to taking possession of the land or asset in question. For purposes of the Project, replacement cost is deemed to be market price plus a 15 percent "Compulsory Acquisition Surcharge," without accounting for depreciation. The draft RAP includes an Implementation Schedule so that payments are made in a timely manner, and construction is organized in sync with the compensation schedule. An External Monitoring Agent (EMA) will verify replacement cost price and the payment of compensation to all entitled PAPs before the Bank provides its Letter of No Objection allowing construction to commence.

31. ***To date no land has been acquired for the Project and the RAP is being finalized.*** The Government has only issued Notifications under Section 4 of the LAA (see Section IV above) indicating the Government's intention to potentially acquire the land. If land is eventually not needed, the Government would withdraw from acquiring land under this process. If that happens, compensation for physical damage, if any, suffered during the land survey process will be provided.

32. ***Livelihood related concerns.*** The draft RAP provides for livelihood restoration, regardless of land ownership. It includes a vulnerability allowance for those earning less than the official poverty line and a severely impacted persons allowance for those losing more than 20 percent of their productive assets. This is in addition to requiring replacement cost payments for land and assets lost. The LRP is still in preparation and will provide income-generation activities and support especially to vulnerable¹¹ PAPs, including those owning less than two acres of land and those relying on subsistence farming or in tenancy arrangements, to meet their food security needs. The LRP will focus on vocational training and job placement, small business development opportunities through micro-finance and market access, and other livelihood restoration strategies tailored to the affected and eligible PAPs. It is anticipated that these measures will enable the affected households to maintain or improve their existing standard of living, as required under OP 4.12.

33. ***Graveyards.*** Under the preliminary SLR alignment, no graveyards would be affected. However, if in the future, any graves are found within the ROW due to adjustments to the alignment, they will be carefully moved with the consent of the families of the deceased and the local religious leaders to a location selected by them. Transparent

¹⁰ Including KP Amendment 11-C, which recognizes communally- and tribally-owned land and puts in place procedures for land acquisition and compensation for the merged districts where land settlement has not been done by the Government, which is the case in the Khyber district.

¹¹ "Vulnerable" is defined in the RAP as, "Distinct people who might face the risk of marginalization and suffer disproportionately from resettlement [impacts], including the women, children, destitute persons, squatters; those with historical or cultural usufruct rights; and landless groups. Generally, the people who are below inflation adjusted current Official Poverty Line (OPL) or earning below the officially declared minimum wage for the current fiscal year by the KP Government are considered as the Vulnerable People."

communication with all relevant parties, including families and community members, will be ensured. Any potential relocation of graves will adhere to applicable religious customs and laws, and the NHA would cover all relocation costs.

34. **Land Disputes.** In accordance with the SLR RAP, the Project will compensate both owners and users of land acquired for the Project. The RAP also includes other categories of persons interested in and affected by land acquisition, in addition to those absentee landowners and users mentioned by the Requesters. Thus, in Management's view, the potential for conflict, armed or otherwise, between landowners and land users – as raised in the Request – in this regard has been significantly reduced through this mitigation measure. All types of PAPs will be compensated directly and individually in accordance with the particular entitlements accruing to them. The compensation formula for each category of PAPs and interested persons is calculated pursuant to the provisions under OP 4.12 and LAA 1894. A census covering the potentially affected persons was conducted to determine eligibility and an inventory of losses and entitlement matrix has been prepared using the information gathered through the census. The matrix covers (i) those with legal title to the land; (ii) those who have formal legal rights to land, including customary and traditional rights; (iii) those who do not have formal legal rights to the land at the time of the census but have a claim to such land or assets that are recognized under law, such as user rights; and (iv) those who do not have recognizable legal right or claim to the land they are occupying. The draft RAP requires that compensation payments be made directly to all those eligible. A compensation formula is provided for each category.

35. Based on the due diligence conducted, the situation described in the Request is therefore not anticipated to arise. It is also not anticipated that further engagement or agreement between interested persons (including landowners and land users) would be required to implement the compensation, thereby reducing the potential for conflict.

36. The Project grievance redress mechanism (GRM) is available to assist with resolving disagreements over ownership, in coordination with relevant Government departments, such as the Revenue Department and Civil Administration, and existing community dispute resolution mechanisms (for example, jirgas). In March 2024, the Government of KP also established a committee to ensure smooth implementation of the land acquisition process, to coordinate with relevant government agencies and other stakeholders, and to ensure that the process complies with relevant laws, regulations and policies.

37. **Potential Conflicts/Risk of Violence. The incident described in the Request could not be confirmed by Project authorities.** The only incident that could be confirmed was an argument between community members and Project consultants in 2023, following which the consultations had to be adjourned. However, this was not related to the SLR. Rather, it pertained to consultations for the study that provides the analytical underpinning for economic development along the corridor.

38. **Security Management Plan.** The ESIA¹² contains a Security Management Plan which will be updated when the ESIA is revised. The Plan entails mitigation measures to be undertaken by the Project in the event of any security risks, including armed conflict.

¹² [Annexure IV of the ESIA, Volume 2](#)

The Bank has shared samples of security management plans and the Bank's Good Practice Note (GPN) on Security Personnel with the NHA. The NHA will prepare an updated Plan, which will need to be approved by the Bank before the deployment of the contractor.

39. **Court Cases.** As per the information provided by the NHA, two cases in which the NHA was named as respondent were filed in civil court seeking an injunction to stop the Project. In the first case, the petitioner requested a temporary injunction, which was granted. This interim relief was later withdrawn and the case was dismissed, following the NHA's submission to the court that the SLR alignment had not been finalized.¹³ The second case, very similar to the first, is currently being heard.¹⁴ Per the information provided by the NHA, ***no injunction has been issued by the court to date to stop any work.*** Relevant court documents have been provided by the NHA for the Bank's information.

40. **Consultations.** Consultations with the affected communities for the SLR were undertaken during August-September 2022 and again in May 2023, and are continuing. Thus far, 747 individual PAPs (male and female) have attended community-level consultations. Twelve consultations were held with Project-affected men and eight with women, in their villages, in accordance with local cultural requirements. There have been challenges in consulting directly with elected officials due to factors beyond the Project's control. Local government elections had been held in March 2022, but due to political turmoil a number of elected representatives of local government were not functional. There were no provincial elected representatives until country-wide elections were held in February 2024 and representatives were sworn in in March 2024. It is, however, likely that elected representatives participated in the consultations as community members, and they will be invited to all future public consultations. The Borrower has been advised to intensify consultations and to hold at least two community-level consultations (male and female) along the ROW of the preliminary alignment on a weekly basis, as the Project moves towards finalization of the alignment, and thereafter towards compensation payments and implementation.

Environmental impacts

41. **Environmental impacts.** Pursuant to Bank policy, and consistent with the requirements of the KP Environmental Protection Agency (KP-EPA), an ESIA was prepared by an independent international firm. The ESIA was consulted upon, and publicly disclosed in January 2024. The ESIA is specific to the preliminary SLR alignment and is based on field visits, surveys, baseline environmental and social conditions, and wider stakeholder consultations to identify the Project's potential environmental and social risks and impacts.

42. The ESIA includes an Environmental and Social Management Plan (ESMP) that follows the mitigation hierarchy and contains technical mitigation measures that correspond to each stage of the SLR. Contractors also will be required to revise and update

¹³ Court Order of Shabeena Noor - Civil Judge VIII, Peshawar, on Suit No. 75/6 and 88/1 of May 22, 2024, Hidayatullah Khan vs. National Highway Authority.

¹⁴ Civil Suit, Hilal Ahmad vs. National Highway Authority.

site-specific documents, including ESMPs, as needed. ESIA mitigation measures and plans cover air, noise, waste, health & safety, traffic safety, camp site, construction site and emergency response. Institutional arrangements, human resource requirements, detailed environmental budgeting and cost estimations will be covered under site-specific ESMPs once the alignment is finalized. The ESIA also assessed the Project impacts on flora, as trees are part of a vital ecosystem that performs a variety of functions for the improvement of the environment. Detailed measures are included for tree planting.

43. **Noise.** The ESIA covers noise pollution for human and fauna receptors. Noise levels during the construction phase are expected to have a medium impact due to operation of construction equipment and movement of construction traffic. Noise levels during the operational phase also are expected to have a medium impact and will be further mitigated as described below. There is no evidence to suggest that the noise levels would be at “extreme levels” as the Request suggests.

44. Mitigation measures for noise and vibration are detailed in the ESIA and will be implemented as part of a Noise and Vibration Management Plan. Measures include, among others, installation of noise barriers such as retaining walls, prohibition on use of horns except in emergencies, use of mufflers and silencers to reduce construction noise, restriction on movement of heavy transport vehicles, and creation of silent zones and green belts.

45. **Privacy concerns.** The ESIA includes specific measures to be undertaken in implementation of site-specific ESMPs and the Construction Environmental and Social Action Plan (CESAP), so as to preserve the privacy of affected households. Technical design and mitigation measures, such as visual barriers comprising hedges, trees and fencing, will protect the privacy of households. Additional measures will be provided as needed to screen houses and courtyards in closer proximity to the alignment.

46. **Most of the land to be acquired for the SLR is agricultural. It is therefore anticipated that the exposure of households located in the vicinity of the SLR will be minimal.** The ROW is 100 meters wide. The width of the ROW is measured from the centerline of the road. Given that the SLR will traverse predominantly agricultural lands, any private and commercial structures will be situated at a minimum distance of 50 meters from either side of the centerline of the road, and approximately 39 meters from a vehicle pulled over on the shoulder. The current design of the SLR suggests that it will be located at a distance that prevents visual exposure of households. The average height of the embankment is expected to be no more than 2 to 3 meters along most of the SLR preliminary alignment. The highest points will be over underpasses and this is not expected to be more than 5 meters (16 feet).

47. **The NHA team includes a Gender Specialist as part of the Project Implementation Unit and the consultant team responsible for the ESIA and RAP also includes a Gender Specialist, thereby ensuring women’s concerns are prioritized and responded to in Project documents.** The Project GRM is available to women to register all types of grievances they may have related to the Project. This includes grievances related to privacy concerns during the construction and operational phases. The gender-responsiveness of the GRM will enable the Project to improve or upgrade mitigation

measures, where necessary. A Gender-based Violence (GBV)/Sexual Exploitation and Abuse (SEA) Consultant is being hired to minimize the risk of GBV/SEA due to labor influx and undertake appropriate mitigation measures. Women PAPs' committees will also be formed in every affected village after the alignment is finalized, to enable timely feedback and inclusion of women PAPs' concerns in Project implementation.

Risk of Retaliation

48. The Bank is not aware of any specific incidents of reprisals carried out by entities involved in Project implementation. The Bank, however, has emphasized preemptively to the Government the absolute necessity of protecting complainants and villagers who disagree with the Project from any form of threat, intimidation, or reprisal. The World Bank does not tolerate reprisals and retaliation against those who share their views about Bank-financed projects. Any form of intimidation against people who comment on Bank projects, research, activities and their impact, goes against the Bank's core values of respecting the people it works for and acting with utmost integrity, as noted in the Bank's public [statement against reprisals](#).

Risk that the Project could be terminated

49. ***Management does not believe that the Project is likely to be abandoned during implementation, despite the concern raised by the Requesters. The federal and provincial governments have both consistently demonstrated strong commitment to the Project, which has a high national priority. Regarding the geopolitical tensions mentioned, Management asserts that these are unlikely to prematurely terminate the Project, as claimed in the Request.*** Hostile encounters between the security forces of Afghanistan and Pakistan have occurred intermittently, but they have not halted trade or transit between the two countries. Even at the height of extreme militancy over the past two decades, 4,000 to 5,000 trucks have used the main border crossing at the Torkham border post daily. Currently, the Government, with support from the Asian Development Bank, is completing a modern border terminal at Torkham. The Project aims to contribute to social sustainability through increased trade and connectivity, which over time may help reduce potential for conflict by generating common interests. Even in a scenario where the Project could be abandoned, compensation for acquired land and damages would still be payable to affected persons under both national land acquisition law and Bank policy.

Conclusion

50. ***Management believes that the Bank has correctly applied its policies and procedures applicable to the matters raised by the Request. As a result, Management believes that the Requesters' rights or interests have not been, nor are they likely to be, directly or adversely affected by the alleged failure of the Bank to implement its policies and procedures.***

**Annex 1
Claims and Responses**

| No. | Claim | Response |
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| 1 | <p><i>Displacement, Loss of Livelihood.</i> As a community we express our strongest reservation regarding the South Link Road project, which is going to result in mass displacement, loss of livelihood. As discussed via the video conference 90% of those affected own less than 2 acres of agricultural which ensures their food security at a bare minimum level and on losing their meagre source of income and houses a question mark can be raised on the future of their coming generations.</p> | <p><i>No land has been acquired, nor has any construction started on the SLR to date. The draft RAP, which includes an LRP, is currently under review by the Bank. The number of potentially displaced people is estimated at present to be 2,520.</i></p> <p>The bidding process for the SLR contractor is still underway. Bids from seven pre-selected bidders were submitted on June 26, 2024. These bids are currently under evaluation by the NHA. A contractor is expected to be selected by the end of September 2024.</p> <p>In accordance with OP 4.12, no land will be acquired until full compensation is paid. The RAP, including the LRP, has been drafted, and the draft is under review by the Bank.</p> <p>OP 4.12 requires involuntary resettlement to be avoided where feasible, or minimized, by exploring all viable alternative project designs. Following the Design-Build modality for the SLR, bidders either endorse the preliminary alignment or introduce refinements/adjustments to it in their bid submissions. Any refinements/ adjustments to the preliminary alignment must be limited to specific parameters, including staying within a 2-km corridor.</p> <p>The draft RAP and LRP are based on the preliminary SLR alignment. If the bidder selected has proposed any refinements/ adjustments that result in modifications to the preliminary alignment, then those modifications will take the place of the preliminary alignment. If the bidder selected endorses the preliminary alignment, then no modifications to the preliminary alignment will take effect.</p> <p>Once the contract has been awarded, the bidder has three months to prepare detailed designs and drawings to inform construction. It is at this point that the Bank will work with the NHA to assess the modified alignment before it is approved by Project authorities and finalized.</p> <p>On the basis of the modified alignment agreed between the Bank and the NHA, the NHA is required to update the ESIA and draft RAP and submit them to the Bank. The ESIA and draft RAP must then be consulted upon and redisclosed, in local language.</p> <p>By the time the final alignment is authorized, there will be greater certainty regarding the actual land required and impacts on PAPs. The exact land parcels, livelihoods and assets affected by the final alignment and the SLR ROW will be reflected in the updated RAP. An EMA will verify that the compensation rates</p> |

| No. | Claim | Response |
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| | | <p>set are replacement cost rates¹ (as defined in the RAP). The Bank will provide its Letter of No Objection after all compensation is verified as paid by the EMA and only after this will the land acquisition process start.</p> <p>The current numbers of affected persons displaced or calculations of livelihood losses are estimates that may potentially change subject to any alignment modifications.</p> <p>The draft RAP states that the current preliminary alignment of the SLR may potentially affect 19,643 households covering a total of 1,050 acres. The potential impacts affecting these households range from loss of assets, loss of livelihoods, and/or involuntary resettlement. This includes 252 potentially affected residential structures that could result in the displacement of 2,520 persons (average household size is estimated at 10 persons).</p> <p>Specific mitigation measures are included in the draft RAP to address the disproportionate impacts on the most vulnerable and low-income PAPs. This is captured in the RAP in the form of a vulnerability allowance for those earning less than the official poverty line. There is also a corresponding measure in the form of a severely impacted persons allowance for those losing more than 20 percent of their productive assets. This is in addition to requiring replacement cost payments for land and assets lost for all PAPs.</p> <p>In addition to the measures included in the RAP, the Borrower is required to prepare a Livelihood Restoration Plan (LRP). The LRP includes livelihood restoration measures targeting PAPs such as those described in the Request. The LRP will provide income-generation activities and support especially to vulnerable PAPs, including those owning less than two acres of land. The LRP will also include measures suited to mitigating the impacts of land acquisition on those PAPs who rely on subsistence farming or in tenancy arrangements to meet their food security needs. The LRP will focus on vocational training and job placement, small business development opportunities through micro-finance and market access, and other livelihood restoration strategies tailored to the PAPs.</p> |

¹ Replacement cost is defined as: The value needed to replace an affected asset as new. In the case of land replacement, value corresponds to the market value of a plot calculated based on a survey of land sales in project areas at the time of taking, free of transaction costs. For crop replacement value, it is the market value of the crop at farm gate. For houses and structures, this is the current fair market price of building materials plus labor and transport, without depreciation or deductions for salvaged material and transaction costs. The replacement cost of trees (for wood) is their market value, while that of productive trees is the value of the yearly harvest for the number of years needed to re-grow a tree to the same productive level of the tree lost.

| No. | Claim | Response |
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| | | <p>It is anticipated that these measures will mitigate the risks anticipated by the Requesters and enable the affected households to maintain or improve their existing standard of living, as required under OP 4.12.</p> |
| 2 | <p>Environmental Pollution. The most ignored aspect of this project is the issue of environmental and noise pollution. The position taken by the NHA is preposterous at best that first the trees falling within the project area along with the orchards are going to be cut and replaced with new saplings that would takes decades to mature and meanwhile the displaced population will bear the brunt of the environmental pollution waiting for the remedial measures to work and Peshawar the nearest city to the affected areas is already one of the most polluted cities in Pakistan and it would be insane to turn a purely agricultural area into a hub of pollution for apparent benefit.</p> <p>Noise Pollution. The noise pollution would have an even greater impact since most of this area is already grappling with the ever-increasing volume of noise pollution whereas this project would bring in a level of noise pollution to extreme levels both during the construction phase and the operational phase and no solution has been suggested in the project document besides dubious and unworkable solutions.</p> <p>Reports of various government department on this issue arc attached as Annexure A.</p> | <p>Management believes that the environmental impacts of the SLR are appropriately and adequately addressed through Project design and the corresponding mitigation measures in the safeguard documents prepared, consulted upon, and disclosed for the Project.</p> <p>Identification of environmental impacts and corresponding pollution prevention and abatement measures are part of any environmental and social assessment under OP/BP 4.01 (Environmental Assessment) and the World Bank Group Environmental, Health, and Safety General Guidelines (WBG EHSGs).</p> <p>Pursuant to Bank policy, and consistent with the requirements of the KP-EPA, the NHA commissioned an independent international firm to conduct an ESIA.</p> <p>The ESIA was consulted upon, and publicly disclosed in January 2024. The ESIA is specific to the preliminary SLR alignment and is based on field visits, surveys, baseline environmental and social conditions, and wider stakeholder consultations (including PAPs and different government departments – see ESIA Table 4.5) to identify the Project’s potential environmental and social risks and impacts.</p> <p><u>ESIA Volume 1</u>, Sections 8.3, 8.4 and 8.5, provide a detailed assessment of potential environmental impacts at the design phase, construction phase, and operational phase of the Project.</p> <p><u>ESIA Volume 2</u>, contains mitigation measures and plans for Air, Noise, Waste, Health & Safety, Traffic Safety, Camp site, Construction site and Emergency Response. Institutional arrangements, human resource requirements, detailed environmental budgeting and cost estimations will be covered under site-specific ESMPs once the alignment is finalized.</p> <p>Furthermore, the ESIA also assessed the Project impacts on flora, as trees are part of a vital ecosystem that performs a variety of functions for the improvement of the environment, such as reduction in air pollution, noise abatement, cooling effect, oxygen production, etc.</p> <p>The ESIA includes an ESMP and sets out mitigation options and actions incumbent on the Project Implementation Unit and the NHA. The ESMP follows the mitigation hierarchy to avoid, reduce, mitigate, or compensate for/offset adverse environmental</p> |

| No. | Claim | Response |
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| | | <p>impacts. The ESMP described in the ESIA contains technical mitigation measures that correspond to each stage of the SLR (See Tables 9.2, 9.3, and 9.4 of ESIA, Volume 1).</p> <p>Pursuant to Bank policy, the NHA is required to prepare and implement a process that allows for adaptive management. The purpose of the NHA's adaptive management process will be to enable it and its contractors to respond to Project changes or unforeseen circumstances. Therefore, the NHA is under a legal obligation to require contractors to prepare or revise existing site-specific documents, including ESMPs, as needed, to adapt to and respond to unforeseen circumstances. Consequently, the currently disclosed versions of the ESIA, Volumes 1 and 2, will be updated accordingly.</p> <p>Trees. The ESMP includes the requirement to prepare a Tree Plantation Plan (TPP) in the operational phase.</p> <p>The allegation in the Request that "trees falling within the project area along with the orchards are going to be cut and replaced with new saplings that would takes decades to mature" is not accurate.</p> <ul style="list-style-type: none"> (i) Afforestation activities including planting of saplings are time-bound and would be carried out twice a year during winter and summer monsoon seasons. (ii) Local species will be planted as they are better acclimatized to local conditions. (iii) Preferences for quick-growing species will be respected. (iv) Poplar, Mulberry and Robinia will be distributed to people to broaden the vegetation cover in the area of their farmlands under Farm Forestry. (v) Slope, speed of growth and area availability are some of the determining factors for selection of the most appropriate species. (vi) Both fast-growing (maturity in about five years) and slow growing (maturity in 10-15 years) trees have been identified for plantation. Some of the trees recommended in the TPP, like the hybrid Poplar (<i>Populus euramericana</i>) or Sufeda Poplar (<i>Salicaceae</i>) regularly attain maturity (height of 17 meters) in 5 years. Another recommended tree species, Eucalyptus (<i>Eucalyptus camaldulensis</i>) has an average yearly volume growth of 25 m³/ha/yr and a tendency to grow at 0.3 meters per month. For every tree cut, 10 new trees will be planted in a 10 ft by 10 ft grid. On slopes the |

| No. | Claim | Response |
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| | | <p>plantation grid would be 10 ft x 15 ft. <i>It is estimated that a total of 11,140 trees, including 9,420 fruit trees and 1,720 “Forest trees” of different species will be cut due to the Project. Therefore, about 111,400 new trees will be planted.</i></p> <p>(vii) During the operational phase, the emphasis of the TPP would be on managing the wellbeing of the species planted. Trees will also act as a barrier to noise and other pollutants for sensitive receptors.</p> <p>(viii) Removal of vegetation on access tracks will be minimized as much as possible and there will be restrictions on tree cutting.</p> <p>Compensation for “fruit trees” will be provided to the PAPs before the commencement of the Project. The loss of forest trees will be compensated through cash compensation to the Forest Department for the lost trees and for replantation.</p> <p><i>Pollution from noise would be controlled through natural and engineered solutions. The ESIA covers noise pollution for human and fauna receptors.</i></p> <p>The baseline for noise on the existing roads is already high. Two of three points along the alignment proposed in the ESIA indicated noise levels of 81.94 dB(A) and 68.3 dB(A), respectively, which exceeded the limit prescribed in the National Environmental Quality Standards (NEQS) of 65 dB(A).</p> <p><i>Noise levels during the construction phase</i> are anticipated to emanate from heavy machinery such as bulldozers, excavators, stabilizers, pneumatic drills, and other equipment. According to the ESIA, it is likely that there will be a medium impact associated with the increase in ambient noise levels due to operation of construction equipment and movement of construction traffic. This may create a nuisance for nearby communities and affect the health of workers. For these reasons, mitigation measures for noise and vibration are detailed in the ESIA, Volume 1, Sections 8.4.8, and 8.4.15 and will be implemented as part of a Noise and Vibration Management Plan under a CESAP to be prepared by the contractor.</p> <p>The Noise and Vibration Management Plan will include the following mitigation measures:</p> <ol style="list-style-type: none"> i. Employing good practices and arrangements to minimize noise pollution, such as earth retaining walls in sensitive and highly populated areas to minimize vibrations; ii. Installation of noise barriers for workers; |

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| | | <p>iii. Regular maintenance of machinery and equipment</p> <p>iv. Prohibition on use of pressure horns as well as blowing of car horns on all access roads except for emergencies;</p> <p>v. Use of muffled breakers and silenced diesel generators and compressors to reduce construction noise.</p> <p>vi. Restrictions on movement of heavy transport vehicles and movement of materials.</p> <p>vii. Use of silencers and noise-absorbing panels to cordon-off work areas with high noise levels to keep levels below NEQS limits.</p> <p>viii. Installation of green belts at interchanges, in consultation with the NHA and Forest Department.</p> <p>ix. Silent zone markings near sensitive receptors (health centers / educational institutions, etc.) for enforcement of speed limits and prohibition of horns.</p> <p>Noise pollution during the <i>operational phase</i> is also to be expected and has been assessed in Section 8.5.2 of the ESIA, Volume 1. Noise pollution is anticipated to increase due to increased traffic and vibrations from engines and tires. The noise levels during the operational phase are likely to have a medium impact, and the consequences are anticipated to be moderate.</p> <p>There is no evidence to suggest that the noise levels will be at “extreme levels” as alleged by the Requesters. According to the NEQS, the permissible noise emission limit is set at 85 dB(A) for new vehicles at a distance of 7.5 meters from the source.</p> <p>Given that neither construction nor operations have started, it is not possible to quantify the level of noise that the Requesters complain of. It is also a scientific impossibility to assess the precise sound intensity of the entire SLR. Typically, sound intensity is measured in terms of magnitude at 1 <i>pico watt per m²</i> relative to the ROW.² The SLR ROW measures 100 m (50 m on either side) and may not include the same flow of traffic at each point along its full length. While the level of noise pollution can be objectively measured, and must remain below the permissible noise emission limits, it is difficult to estimate what would subjectively constitute an extreme level of noise.</p> |

² The intensity of a sound is the power of the sound in watts or pico watts – one million millionth (10¹²) of a watt – divided by the area the sound covers in square meters. The loudness of a sound relates the intensity of any given sound to the intensity at the threshold of hearing. It is measured in decibels (dB). For every 10 dB increase in intensity level, the sound intensity will increase by a factor of 10. For example: 60 dB are equivalent to 1x10⁻⁶ watt/m²; 70 dB = 1x10⁻⁵ watt/m²; and 80 dB = 1x10⁻⁴ watt/m².

| No. | Claim | Response |
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| | | <p>These scientific limitations notwithstanding, detailed mitigation measures have been proposed for each anticipated impact, including noise abatement along the full length of the SLR.</p> <p>In addition to the environmental and noise pollution measures described above, avoiding and minimizing air pollution is a key priority. Some of the mitigation measures in the ESMP and CESAP include the following:</p> <ul style="list-style-type: none"> • setting up a system, in consultation with the KP-EPA, to monitor air quality along the alignment, in accordance with NEQS and WBG EHSs; • implementing the TPP to reduce pollution as well as contribute to visual aesthetics along the road; • regular road maintenance to ensure good surface condition; • regular vehicle checks to control/ensure compliance with NEQS; • enforcement of traffic rules and penalties for violators. <p>The ESIA also includes “Environmental & Social Codes of Practice (ESCPs),” which are prepared based on the WBG General EHSs and experience from other projects in Pakistan. Among others, there are ESCPs related to “Air Quality Management (ESCP-10)” and “Noise and Vibration Management (ESCP 11).” In addition, the ESIA includes an Environmental and Social Management and Monitoring Plan to define the implementation mechanisms for the mitigation measures for both construction and operation phases.</p> <p>The ESIA requirements, ESMPs and ESCPs are included in contractor bidding documents to ensure their implementation and mitigation of construction-related impacts.</p> <p>The employer’s requirements, as part of the bid, very clearly state what is required from the selected Design-Build contractor. In relation to trees and pollution abatement, this includes, but is not limited to:</p> <ul style="list-style-type: none"> • horticulture, greening & landscaping design, EMP and environmental protection design. • drawings related to environmental mitigation measures. <p>The document also requires from the selected contractor that: “Well organized sustainable horticulture and landscaping shall be done at Interchanges, Toll Plazas, and Service Areas. Trees shall be planted of native species all along the Alignment.</p> |

| No. | Claim | Response |
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| | | <p>Sprigging (Grassing) shall be provided on the embankment slopes and shall be properly maintained.”</p> <p>The technical evaluation gives a 10 percent weightage score to the inclusion of environment, resettlement, social and landscaping designs.</p> |
| 3 | <p>Traditional Values. Besides the issue of loss of livelihood and houses another serious concern over the destruction of their traditional values and culture. As the WB can realize that the whole stretch of land identified to taken over for the project comprises thousands of houses in the vicinity of this elevated highway and houses within range of 50 meters shall be exposed to vehicular traffic day and night and how do they protect their privacy raises a big question mark on the whole project. The women folk cannot be expected to hide their faces within the confines of their own homes. It is also added that the average height of the boundary walls in this area is around 11 feet so how can they maintain their purdah with the height of the road at 22 feet and additionally the height of the vehicles plying the road would raise the total height to around 30 feet severely affecting the ability of the women folk to perform their daily chores fully exposed to unknown individual like the truck and bus drivers plying the proposed route.</p> | <p><i>The Project provides for appropriate mitigation measures to protect the privacy of affected households, specifically that of women. Visual barriers will be put in place to protect the privacy of those houses that are in closer proximity to the road alignment.</i></p> <p>The Bank is aware that <i>purdah</i> (veiling) is practiced by many women in KP, especially in public spaces or in the presence of men who are not family members. The ESIA includes specific socio-economic information on women PAPs. It proposes measures to be undertaken in implementation of the site-specific ESMPs and the CESAP, so as to preserve the privacy of affected households.</p> <p>Most of the land to be acquired for the SLR is agricultural, hence it is anticipated that the exposure of households located in the vicinity of the SLR will be minimal. Residential land and structures have been avoided to the extent possible and will continue to be avoided under any modifications to the alignment proposed by the selected contractor.</p> <p>The contention that the road height will be 22 feet (about 7 meters) is not correct. While minimum technical standards for the embankment height of a motorway have to be met to allow for underpasses and livestock passages, the average height of the embankment is expected to be no more than 2 to 3 meters along most of the SLR preliminary alignment. The highest points will be over underpasses and this is not expected to be more than 5 meters (16 feet). The final embankment heights will be proposed by the contractor as part of the Design-Build modality and will conform to the minimum geometric/technical requirements as given in the bid documents.</p> <p>Technical design and mitigation measures, such as visual barriers comprising hedges, trees and fencing, will protect the privacy of households. Additional measures will be provided as needed (as identified in the revised ESMP and RAP) to protect houses closer to the alignment.</p> <p>The current design of the SLR suggests that it will be located at a distance that prevents visual exposure of households. The ROW is 100 meters wide, meaning private and commercial structures will be situated at a minimum distance of 50 meters from the centerline of the road (or about 39 meters from a</p> |

| No. | Claim | Response |
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| | | <p>vehicle pulled over on the shoulder). The placement of visual barriers at strategic locations, e.g., the use of metal screens, trees and other natural screening fences, will obscure the direct view of houses/yards. Given that stopping of vehicles on the shoulders of motorways and expressways is explicitly prohibited, the chances of exposure to persons in parked vehicles is low.</p> <p>The NHA team includes a Gender Specialist as part of the Project Implementation Unit and the consultant team responsible for the ESIA and RAP also includes a Gender Specialist, thereby ensuring women’s concerns are prioritized and responded to in Project documents. The Project GRM is available to women to register all types of grievances they may have related to the Project. This includes grievances related to privacy concerns during the construction and operational phases. The gender-responsiveness of the GRM will enable the Project to improve or upgrade mitigation measures, where necessary. A Gender-based Violence (GBV)/Sexual Exploitation and Abuse (SEA) Consultant is being hired to minimize the risk of GBV/SEA due to labor influx and undertake appropriate mitigation measures. Women PAPs’ committees will also be formed in every affected village after the alignment is finalized, to enable timely feedback and inclusion of women PAPs’ concerns in Project implementation.</p> <p>In case of any further concerns raised by PAP committees on the effectiveness of measures put in place, appropriate action will be taken by the NHA.</p> |
| 4 | <p><i>Project Changes and Delays.</i> The community is surprised at the attitude of the World Bank for reviving a sick project that was signed in 2018 with multiple changes in the alignment from time to time. Having some experience on working with WB projects it is surprising that the loan commitments have been extended without any plausible reasons by the WB and to our understanding all donor projects are time bound and are invariably shelved if satisfactory progress is not achieved within a certain time frame. The community is</p> | <p><i>Progress implementation has been delayed by several factors. However, such delays are not uncommon in road projects. No adverse impacts have resulted from the delays. Moreover, this is not an issue of compliance with Bank policies or procedures. The Bank does not unilaterally cancel loan commitments in response to delays, contrary to what the Request suggests. The Bank has approved the Government’s request to extend the Project’s closing date, as documented in the restructuring paper and following the internal decision making and clearance processes informed by consideration of Project risk and performance.</i></p> <p>Delays in the first three and a half years following Project approval are attributed to the Government’s lengthy internal approval processes and the COVID-19 pandemic.</p> <p>The Project was approved by the Bank’s Board on June 18, 2018, following approval by the Planning Commission’s Central Development Working Party (CDWP) of the PC-1 (Pakistan’s project document), which is the Government’s</p> |

| No. | Claim | Response |
|-----|---|--|
| | <p>baffled by the approach of the WB for their affiliation for this particular project.</p> | <p>prerequisite for negotiations and presentation to the Board. Final approval of the PC-1 by the ECNEC (the last step in the process) was expected after the CWDP's approval. However, elections were held on July 25, 2018 and a change in the Government ensued, which delayed the ECNEC approval and subsequent Project signing and effectiveness. In addition, during this time, in May 2018, the FATA were merged with KP Province.</p> <p>When the PC-1 was presented to the ECNEC on October 2, 2019, it was cleared for a lesser amount due to differences in the exchange rate. Legal documents were signed in December 2019. In the meantime, the Government conveyed its intention to not reduce the loan amount, and to utilize exchange rate gains to construct the SLR to connect National Highways N-5 and N-55 to the proposed PTEX, which would help to divert goods traffic from Peshawar city, reduce congestion and improve air quality.</p> <p>Subsequently, the effectiveness date was extended from March 12 to June 12, 2020. A revised PC-1 was prepared by the NHA, which included a concept stage alignment for the SLR and an estimated cost.</p> <p>Restructuring was completed on June 11, 2020. A Sustainable Development Unit in the Government of KP was added as implementing agency responsible for Component II; the SLR was included in the budget for Component I; and the closing date of the Project was extended. The ECNEC cleared the revised Project's PC-1 on July 16, 2020.</p> <p>Project implementation was then able to begin, but the pace remained slow due to the pandemic.</p> <p>On April 6, 2022, the NHA selected a Design Review and Supervision Consultant through a competitive process. One of the first tasks undertaken by the consultant was to review the concept stage alignment of the SLR and propose an alternate alignment if required, which it did on February 19, 2023.</p> <p>In parallel, the NHA also hired an independent firm to prepare the ESIA and RAP for the SLR. During the field work, the firm informed the NHA that the proposed alternative alignment was longer, required more land, included more buildings and orchards, and affected graveyards. This prompted the NHA to review the alternative, after which it reverted to the concept stage alignment. The concept stage alignment was then refined to minimize adverse impacts and this became the proposed preliminary alignment that was included in the bid documents. The ESIA</p> |

| No. | Claim | Response |
|-----|---|--|
| | | <p>for this alignment was completed by the end of 2023 and cleared by the Bank; it was disclosed in January 2024.</p> <p>The Project is being undertaken using a Design-Build modality, whereby the bidder will also propose the technical design, including refinements to the alignment. Based on the final selected design, all safeguard documents (particularly the RAP) will be updated by the NHA’s Design Review consultants and redisclosed.</p> <p>On August 24, 2023, seven firms/joint ventures were initially selected to participate in the bidding process for Component I, with the two roads divided into two lots. Bid documents were issued to the seven pre-selected bidders in February 2024, and bids were submitted on June 26, 2024. These bids are currently under evaluation by the NHA. A contractor is expected to be selected by the end of September 2024.</p> |
| 5 | <p>Implementing Agency Mandate. After the passage of the Ordinance for Amendment to the NHA act the NHA has only the mandate to construct link roads from one Motorway to another and in this case no motorway exists at either end (Annexure B).</p> | <p><i>NHA has the mandate to construct the SLR, which will be a part of NHA’s motorway network with a unique identifying number. The contention in the Request regarding the requirement for a motorway at both ends is not relevant.</i></p> <p>The NHA was established on June 16, 1991, through an Act of the Parliament. Its main responsibilities are to plan, promote, organize and implement programs for construction, development, operation, repairs and maintenance of national highways/motorways and strategic roads. The NHA Act of 1991 was amended through a Presidential Ordinance in November 2023, primarily to bring the NHA Act in conformity with the State-Owned Enterprises (SOE) Act of 2023. The main amendments relate to the governance structure, including composition of the National Highway Council and Executive Board of the NHA. It also includes updating, clarifying, and modifying of definitions. However, it in no way alters, curtails, or limits the NHA’s responsibilities.</p> |
| 6 | <p>Lack of Community Consultations. The community was never consulted on the viability, economic benefit and ways to alleviate their concerns. Though there were no general elections for an extended period to time but the elected local bodies members representing the community were never consulted and to the best of our knowledge all</p> | <p><i>Consultations with the affected communities have been carried out to collect the views of stakeholders regarding the proposed Project and identify measures to maximize Project benefits and minimize impacts.</i></p> <p><i>There have been challenges in consulting directly with elected officials due to factors beyond the Project’s control.</i> Local government elections had been held in March 2022, but due to political turmoil a number of elected representatives of local government were not functional. The KP provincial assembly was dissolved in December 2022. There were no provincial elected representatives until country-wide elections were held in</p> |

| No. | Claim | Response |
|-----|--|--|
| | <p>the documents submitted to the Executive Board were based on assumption rather than proper consultation process with the community. A list of members of the local bodies is attached to confirm that only irrelevant people were consulted and duped by informing that the surveys are intended to assess the need for WB and UNHCR assistance without any mention of the road project (Annexure C).</p> | <p>February 2024 and representatives of both federal and provincial governments were sworn in in March 2024.</p> <p>The Project was approved by the Bank’s Board of Directors on June 14, 2018. Prior to its approval, the required safeguard documents were prepared in consultation with relevant stakeholders including clan elders and <i>maliks</i> (tribal leaders), male and female PAPs, civil administration, officials of line departments, trade associations, members of civil society and the media. The ESIA and RAP for the PTEX under Component I were publicly disclosed on January 17, 2018, and January 30, 2018, respectively; and the Social Management Framework, Environmental Management Framework and Resettlement Policy Framework under Component II were made publicly available on February 13, 2018, February 2, 2018 and February 13, 2018, respectively.</p> <p>The ESIA for the SLR under Component I, which was added later, was prepared during 2022-2023 and disclosed on January 1, 2024. Consultations were undertaken during the preparation of the ESIA (August-September 2022 and May 2023) as documented in the ESIA.</p> <p>The SLR draft RAP is currently under review by the Bank. It will be disclosed in draft for PAPs’ feedback after the alignment has been finalized and the RAP has been updated in accordance with the requirements of the Bank and the Government of Pakistan. This process will include consultations with stakeholders on the final alignment, in turn allowing for any outstanding or additional concerns to be heard and discussed.</p> <p>Community consultations were held, which were attended by 747 individual PAPs, to inform the preparation of the draft RAP. Both the ESIA and the draft RAP contain participation sheets with signatures of PAPs who attended. In a few instances PAPs did not wish to sign and for these meetings, sign-in sheets were not prepared.</p> <p>The main objective of these consultations was to inform stakeholders about the proposed SLR, collect their views and identify measures to maximize benefits and minimize impacts to inform Project design. Summaries of these consultations/ feedback are documented in the ESIA and RAP.</p> <p>PAPs, the general population in the Project area of influence, and representatives of Government departments have been consulted. A variety of consultation methods have been used – community meetings (separate for men and women), meetings with PAPs potentially losing residential and commercial structures, focus group discussions, and meetings to prepare village profiles. Twelve village-level consultations were held</p> |

| No. | Claim | Response |
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| | | <p>with Project-affected men and eight with women, in accordance with local cultural requirements, which are documented in ESIA, Section 4.9. As noted above, there have been challenges in consulting directly with elected officials due to factors beyond the Project’s control. It is likely, however, that elected representatives participated in the consultations as community members, and they will be invited in their formal capacity to all future public consultations.</p> <p>Since early May to the present, three public consultations have been conducted, in the villages of Tarnab, Mashokhel, and Sangu.</p> <p>The Borrower has been advised to intensify consultations and to hold at least two community-level consultations (male and female) along the ROW of the preliminary alignment on a weekly basis, as the Project moves towards finalization of the alignment, and thereafter towards compensation payments and implementation.</p> <p>Consultations will continue during the preparation of the draft RAP, during the updating of the ESIA and RAP after the final alignment is proposed, and through Project implementation, in accordance with OP 4.12.</p> |
| 7 | <p>Land Disputes. Another issue prevalent in the area is the disparity between ownership documents and possession and cultivation of the land. The only settlement of this issue was done in 1927 and since then this has not been discussed to deliberated upon by the government so a constant conflict exists between the two groups in the whole belt. This seriously affects the land compensation issue and there exists a distinct possibility of armed conflict between the absentee owners and tillers.</p> | <p><i>In accordance with the SLR RAP, the Project will compensate all categories of PAPs adversely impacted by the land acquisition process undertaken in anticipation of the Project. This will include landowners and land users. Thus, the potential for conflict between landowners and land users in the context of land acquisition – as raised in the Request – has been significantly reduced through this mitigation measure. All types of PAPs would be compensated directly and individually, in accordance with the particular entitlements accruing to them.</i></p> <p>The compensation formula for each category of PAPs and interested persons is calculated pursuant to the provisions under OP 4.12 and LAA 1894. Based on the due diligence conducted, the situation described by the Requesters is not anticipated to arise. It is also not anticipated that further engagement or agreement between interested persons (including absentee landowners and users) would be required to implement the compensation, thereby reducing the potential for conflict.</p> <p>As required by the Bank’s Operational Policy (OP) 4.12 on Involuntary Resettlement, under the draft RAP, a census and inventory of losses covering 100 percent of the PAPs has been conducted to determine who would be eligible for compensation and assistance. The inventory is based on detailed field measurements of land and assets and has been</p> |

| No. | Claim | Response |
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| | | <p>documented.</p> <p>An entitlement matrix has been prepared using the information gathered through the census. The matrix covers (i) those with legal title to the land; (ii) those who have formal legal rights to land, including customary and traditional rights; (iii) those who do not have formal legal rights to the land at the time of the census but have a claim to such land or assets that are recognized under law, such as user rights; and (iv) those who do not have recognizable legal right or claim to the land they are occupying. The Revenue Record will also be checked in instances where formal tenancy agreements have been entered by the owners and cultivators/sharecroppers, although the possession of a formal agreement will not be a bar to compensation, and the on-the-ground situation as documented in the RAP will also be a determinant. Tenancy agreements are private matters between the owner and tenant and are not relevant to the provision of compensation under OP 4.12.</p> <p>The draft RAP requires that compensation payments be made directly to all eligible rights holders. These include interested persons within the meaning of the LAA, landowners with formal title, cultivators and sharecroppers with written or verbal agreements with owners, or informal settlers without rights to the land they are occupying. A compensation formula is provided for each category.</p> <p>The draft RAP also requires engagement of an EMA (a third-party verifier) to verify the following: (i) that rates represent replacement cost when the RAP is updated based on the alignment proposed by the contractor; (ii) the legal ownership and/or rights to land as per the OP 4.12 categories; and (iii) the payment of compensation to all entitled PAPs of all categories in accordance with the RAP before the client takes possession of land or assets. In this way, no entitled PAP will be left without due compensation.</p> <p>Construction works can commence only after compensation per the approved RAP has been paid to affected persons, and the Bank provides a Letter of No Objection to start works.</p> <p>A Project GRM is available to assist with resolving disagreements over ownership, in coordination with relevant Government departments, such as the Revenue Department and Civil Administration, and existing community dispute resolution mechanisms (for example, jirgas).</p> <p>The District Government of KP has confirmed to the NHA that during the past ten years no evidence of large-scale dispute exists in the area. Smaller-scale, family-level disputes have</p> |

| No. | Claim | Response |
|-----|---|--|
| | | <p>occurred, which, according to the government representative, is not out of the ordinary.</p> <p>The Government (both the NHA and the provincial government) is cognizant of the challenges and sensitivities involved in land acquisition and involuntary resettlement, and to this effect, a committee was established by the Government of KP on March 12, 2024 to ensure a smooth implementation of the land acquisition process, to coordinate with relevant government agencies and other stakeholders, and to ensure that the process complies with relevant laws, regulations and policies.</p> |
| 8 | <p>Project Changes. As mentioned earlier there have multiple changes to the alignment of this project and the community would like to know how can the WB allow a change in the scope of work. Having personnel project experience, it is one of the most difficult tasks to continually alter the scope and quantity of work.</p> | <p><i>No adverse impacts have resulted from changes to the Project design. Changes in Project design are not unusual for a project of this type and scale. Moreover, this is not a matter of policy compliance.</i></p> <p>This contention is incorrect. The only changes to the originally approved Project were the inclusion of the Government of KP as an implementing agency for Component II, and the inclusion of the SLR as a result of currency fluctuations that benefited the Pakistani rupee. There are no other changes to the scope of work and the Project Development Objectives remain the same. Nor are there any changes to the procurement modality.</p> <p>The changes to the alignment (see Item 4 above) were made to minimize resettlement and land acquisition. The NHA took considerable care in developing the preliminary alignment, and kept the Bank informed regarding the process for alignment selection.</p> |
| 9 | <p>Interagency Disagreement. All the regulatory agencies like the Agriculture Department, forest Department, Environmental Protection Agency and many other departments have disagreed with the contentions of NHA. (Annexure A)</p> | <p><i>The views of relevant departments were sought to identify potential adverse impacts that require mitigation and these were documented in the ESIA. This does not represent inter-agency disagreements on the Government’s decision process, as suggested by the Request.</i></p> <p>All relevant Government departments were consulted during the preparation of the ESIA, and as part of the process were encouraged to express their views freely. The main purpose of these consultations was to obtain feedback, and where possible to integrate suggestions into Project design. The departments mentioned in the Request highlighted the potential negative impacts of the Project, which were reflected in the ESIA. The safeguard documents prepared by the NHA also candidly list potential adverse impacts anticipated by the Project, together with the proposed measures for the NHA to undertake to mitigate such impacts.</p> |

| No. | Claim | Response |
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| | | See ESIA, Table 4.5, for a summary of such consultations, departments' discussion points/concerns and how these were addressed in the ESIA. |
| 10 | <p>Geopolitical Context. The project is supposed to a component of the KP Economic Corridor linking Pakistan and Afghanistan for trade facilities but with daily clashes on the borders between the two country who in his right mind would conceive and execute such a project and the mortal fear of the community is that after destroying our livelihood the project will be eventually be abandoned in light of the prevalent geopolitical situation.</p> | <p><i>The Government, both federal and provincial, has maintained a strong commitment to the Project, which enjoys a high national priority. In Management's view, there are no indications that the Project could be abandoned, as claimed by the Request.</i></p> <p><i>Even in a scenario where the Project could be abandoned, compensation for acquired land and damages would still be payable to affected persons under both national land acquisition law and Bank policy.</i></p> <p>Management does not believe that the Project is likely to be abandoned during implementation. While hostile encounters between the security forces of Afghanistan and Pakistan have occurred, those have been intermittent, and they have not stopped trade or transit between the two countries. Even at the height of extreme militancy in the past two decades, 4,000 to 5,000 trucks have used the main border crossing at Torkham daily. The majority of Afghanistan's international and bilateral trade enters and leaves through Torkham. The Government is currently in the process of completing a modern border terminal at Torkham with support from the Asian Development Bank. This Project is part of Corridor 5 under the Central Asia Regional Economic Cooperation Program, to which the Government is committed, and the expressway is planned to dovetail into the new border terminal. The Project aims to contribute to social sustainability through increased trade and connectivity, which over time may help reduce potential for conflict by generating common interests.</p> |
| 11 | <p>Compensation. No government agency has ever paid the agreed compensation in a timely manner, the case in point being the SNGPL destroying a vast stretch of agricultural and people are waiting for compensation for the last 6 years. The compensation paid for land acquisition is pittance compared to the going market rate as determined by the Land Acquisition Act of 1894 and no changes to the</p> | <p><i>No land acquisition has occurred to date and hence no compensation for land has been determined or offered. The Requesters refer to experiences or reports about compensation from unrelated, non-Bank-supported projects in the past that are not connected to this Project, (i.e., the Sui Northern Gas Pipelines Limited mentioned in the Request).</i></p> <p>OP 4.12 on Involuntary Resettlement requires payment of compensation at replacement cost prior to taking possession of the land or asset in question. Replacement cost is different than market price, as it requires an amount sufficient to replace lost assets with new ones, including transaction costs; depreciation of structures and assets is not taken into account. For purposes of the Project, replacement cost is deemed to be market price plus a 15 percent "Compulsory Acquisition Surcharge," without</p> |

| No. | Claim | Response |
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| | <p>Act have been made for more than a century so the anguish of the community can be appreciated and the government has a poor record of payment to the affected community so the WB is requested to join in the determination of a fair market rate if the project somehow takes off.</p> | <p>accounting for depreciation. Moreover, individual landholders (and all PAPs for that matter) have access to the Project GRM to raise issues associated with compensation valuation during RAP implementation.</p> <p>The draft RAP includes an Implementation Schedule that will be closely followed by the NHA and contractor, and regularly monitored by the Bank. This will ensure that payments are made in a timely manner, and construction is organized in sync with the compensation schedule.</p> <p>As noted, the draft RAP also requires engagement of an EMA to verify replacement cost price and the compensation process.</p> |
| 12 | <p>Graveyard Displacement. Dozens of our graveyards are going to be uprooted so in the end the community will not have a place to live in, no means of livelihood and no place to be buried in. The NHA report that indicates graveyards is based on the Land Settlement of 1927 and has not been revised in almost a century and dozens of private graveyards of individuals have come up and have been conveniently ignored in the appraisal report.</p> | <p><i>Under the preliminary SLR alignment, no graveyards would be affected.</i></p> <p>The ROW of the preliminary SLR alignment has been selected to avoid adverse impacts on graveyards and other community assets. This selection has been made on the basis of the existing placement of socially sensitive receptors, such as graveyards, as the result of ground surveys, and not on the basis of the 1927 land settlement referred to by the Requesters.</p> <p>While no graveyards were identified in the ROW, any graves that may be found within the ROW in the future will be carefully exhumed to a location selected in consultation and coordination with the families of the deceased and the local religious leaders. Transparent communication with all relevant parties, including families and community members, will be conducted pursuant to Bank policy and the applicable laws in Pakistan.</p> <p>OP 4.11 stipulates protection of physical cultural resources. The policy also requires that project activities not contravene national legislation or country obligations under international environmental treaties and agreements. Therefore, any potential relocation of graves will adhere to religious custom and law, and the NHA would cover all costs associated with grave relocation.</p> |
| 13 | <p>Land Issues. We are thankful to the Pakistan chapter of Human Rights Watch and the Daily Dawn for taking notice and writing a comprehensive report on the repressive colonial era Land Acquisition Act of 1894 which has affected a large segment of the population in this country. The report is shared as</p> | <p><i>Compensation for land acquisition will follow the standards enshrined in Bank policy, specifically OP 4.12.</i></p> <p>The Bank requires that the Project follow the requirements of the Government of Pakistan and Bank policies.</p> <p>The applicable land-related law in Pakistan is the Land Acquisition Act, 1894 (LAA) and its successive amendments (including Amendment 11-C, which recognizes communally and tribally owned land and puts in place procedures for land acquisition and compensation for the newly merged districts</p> |

| No. | Claim | Response |
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| | (Annexure D) | <p>where land settlement has not been done by the Government, which is the case in the Khyber district) and the applicable Bank policy is OP 4.12 on Involuntary Resettlement.</p> <p>The Bank is aware of the differences between the LAA 1894 and OP 4.12. The draft RAP provides a comparison of the two and includes measures to reconcile the inconsistencies between them.</p> |
| 14 | <p>Risk of Violence. An unfortunate act of violence did occur in the project area against the survey staff of project and the lynching was prevented by the intervention of the area elders and members of the local bodies but we foresee more of these incidents if the project is continued.</p> | <p><i>The incident described in the Request could not be confirmed by Project authorities.</i></p> <p>The only incident that could be confirmed was an argument between community members and Project consultants in 2023, following which the consultations had to be adjourned. However, this was not related to the SLR. Rather it pertained to consultations for the study that provides the analytical underpinning for economic development along the corridor and concerned another consultant firm that was hired by the Government of KP to prepare the SMP-WGP, which is under Component II of the Project.</p> |
| 15 | <p>Court Cases. A court of law has already issued an injunction against any progress on the project and we fear a long drawn legal battle reaching the Supreme Court of Pakistan and it's up to the WB to imagine the delays this project is going to face in the coming years.</p> | <p><i>The NHA informed the Bank that no injunction has been issued by the court to stop any work under this Project. The Bank has reviewed the pertaining court documents.</i></p> <p>As per the information provided by the NHA, two cases in which the NHA was named as respondent were filed in civil court seeking an injunction to stop the Project. In the first case, the petitioner requested a temporary injunction, which was granted. This interim relief was later withdrawn and the case was dismissed, following NHA's submission to the court that the SLR alignment had not been finalized.³</p> <p>The second case, very similar to the first, is currently being heard.⁴ As per the information provided by the NHA, no injunction has been issued by the court to date to stop any work.</p> <p>Relevant court documents have been provided by the NHA for the Bank's information.</p> |
| 16 | <p>In light of the above we seriously believe that the WB Executive Board has been misled on the benefits of this</p> | <p><i>A comprehensive economic analysis was prepared for the Project, which concluded that the Project would have a high economic rate of return, in addition to other socio-economic benefits.</i> The Project was subject to the Bank's internal review and approval process before being presented to the</p> |

³ Court Order of Shabeena Noor - Civil Judge VIII, Peshawar, on Suit No. 75/6 and 88/1 of May 22, 2024, Hidayatullah Khan vs NHA.

⁴ Civil Suit, Hilal Ahmad vs. NHA.

| No. | Claim | Response |
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| | project and requires a serious investigation and inquiry. | Board. There is no basis to claim that the Bank's Board was misled. |
| 17 | <p>Policy Compliance. WB policies not followed:</p> <ul style="list-style-type: none"> • Consultations not held with the community at any level. • Environmental concerns not addressed. • Our social norms not taken into consideration. • Our displacement and loss of livelihoods not addressed. | <p><i>The Project is still at very early stages of implementation, with no land acquisition or construction works having started to date. Management considers that Project activities to date meet the requirements of the applicable Bank policies and procedures. The policies will continue to be applied and their application monitored as works begin and throughout Project implementation.</i></p> <p>See Item 6 above for details on consultations held during the preparation of environmental and social instruments for the SLR.</p> <p>See Item 2 above about mitigation measures included in the ESIA and ESMP, which will be implemented once construction starts, and will be diligently supervised by the Project supervision consultants and the World Bank.</p> <p>See Items 3, 6 and 12 above about efforts to ensure <i>purdah</i> and privacy, holding separate consultations with women PAPs in accordance with local cultural requirements, and relocation of graves in accordance with religious and local cultural requirements if any are affected by the final alignment.</p> <p>See Items 1 and 11 about efforts being made to ensure avoidance and minimization of impacts, as well as mitigation of losses, and preparation of an LRP.</p> <p>As explained earlier (Item 2), consultations were conducted with a wide range of stakeholders (see ESIA, Section 4.2). These included group consultations at various locations and consultations with individual persons being affected all along the preliminary alignment. In total, 252 PAPs were individually contacted regarding residential structures and 8 PAPs regarding commercial structures to discuss the Project and its impacts on their assets. Based on the preliminary alignment, 72 persons in 8 villages were consulted regarding Project impacts and their opinions were noted (ESIA, Section 4.6).</p> <p>In addition, consultations with government departments were held. Some of those consulted include: Agriculture District Officer, Peshawar; On Farm Water Management Officers of Nowshera, Peshawar, Khyber districts; Agriculture Officer (Extension), Nowshera; Head Quarter Wildlife Department, Peshawar, Additional Assistant Commissioner, Revenue; Divisional Forest Officer, Nowshera Forest Division; Agriculture Statistics Officer; Agriculture Officer (Extension) Nowshera; Deputy Director General, Social Welfare Department, Peshawar; Deputy Planning Officer Peshawar;</p> |

| No. | Claim | Response |
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| | | <p>Agriculture Officer (Extension), Peshawar; Sub Divisional Officer, Communication & Works Department, Nowshera; Assistant Commissioner, Pabbi Tehsil, Nowshera; Personal Assistant to Assistant Commissioner, Nowshera; and Director Agriculture, Peshawar (ESIA, Section 4.8).</p> <p>During these consultations, the ESIA consultants explained to the government officials the proposed Project and its impacts. ESIA, Table 4.5, provides a summary of such consultations; with additional detail in an annex to the ESIA.</p> |
| 18 | <p>Risk of Retaliation. Several of our villagers are under police radar for participating in protest meetings against this project.</p> | <p><i>The Bank is not aware of villagers being “under police radar” for participating in protest meetings against the Project, and no such concerns have been raised with the Bank previously.</i></p> <p>While the Bank knows of no reprisals carried out by the NHA or the provincial government, it has emphasized in writing to the Government the absolute necessity of protecting complainants and villagers who disagree with the Project from any form of threat, intimidation or reprisal.</p> <p>It is important to note that the country, and especially the province of KP, has witnessed political turmoil and tensions since mid-2022. There have also been intermittent incidents of terrorism and militancy within the Project area. This has led to a general increase in the presence and activities of law enforcement agencies.</p> <p>The World Bank does not tolerate reprisals and retaliation against those who share their views about Bank-financed projects. Any form of intimidation against people who comment on Bank projects, research, activities and their impact, goes against the Bank’s core values of respecting the people it works for and acting with utmost integrity, as noted in the Bank’s public statement against reprisals. When complaints, including allegations of reprisal in connection with Bank projects, are brought to the Bank’s attention, it works with appropriate parties to address them.</p> |

Addendum to the Management Response

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..

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.

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.