



Concept Paper Template for CPEC Projects

1. Preliminary Information

Project Name	New Economic City at Lillah
Sector	Urban Development
Implementation Department/ Agency	HUD&PHE Department, Government of the Punjab
Implementation Period	6 Months for planning 30 months for implementation and development
Total Cost (in US \$)	\$ 300 million

2. Background/Purpose of the Project

2.1) Justification of the Project

The increased level of urbanization has overburdened existing cities throughout the country and in the province of Punjab in particular. The core intent of the project is to alleviate the negative pressures of urbanization and concurrently tap its potential in terms of exploiting opportunities for the socio-economic growth.

A project is proposed for development of New Economic City and administrative arrangements.

Development of New Economic City: The proposed city would be a new urban industrial agglomeration, developed in accordance with world class standards to house around 2 Million inhabitants and offer them diverse work-live-leisure opportunities. The current *Punjab Growth Strategy* and the *Punjab Spatial Strategy* also envision urban growth and economic development scenarios within the same context. Following key activities are planned in this project;

- Preparation of detailed Feasibility.
- Master Planning.
- Preparation of Business Model.
- Preparation of Planning Commission Documents (PC-I, PC-II etc) for approval of competent fora.
- Public infrastructure projects and development as per plans.



Administrative Arrangements: Following administrative improvement are also expected:

- Carve out a new town/district
- Establish Town Development Authority
- Estimate land acquisition requirement
- Establish local administrative decision making tier (i.e., essential Government offices)
- Identify Catalytic Projects, Engineering Design and execution to support the “Build as We Plan” strategy
- Engage local community
- Establish/enhance educational, vocational and health facilities for local population

3. Project Objectives and Expected Results

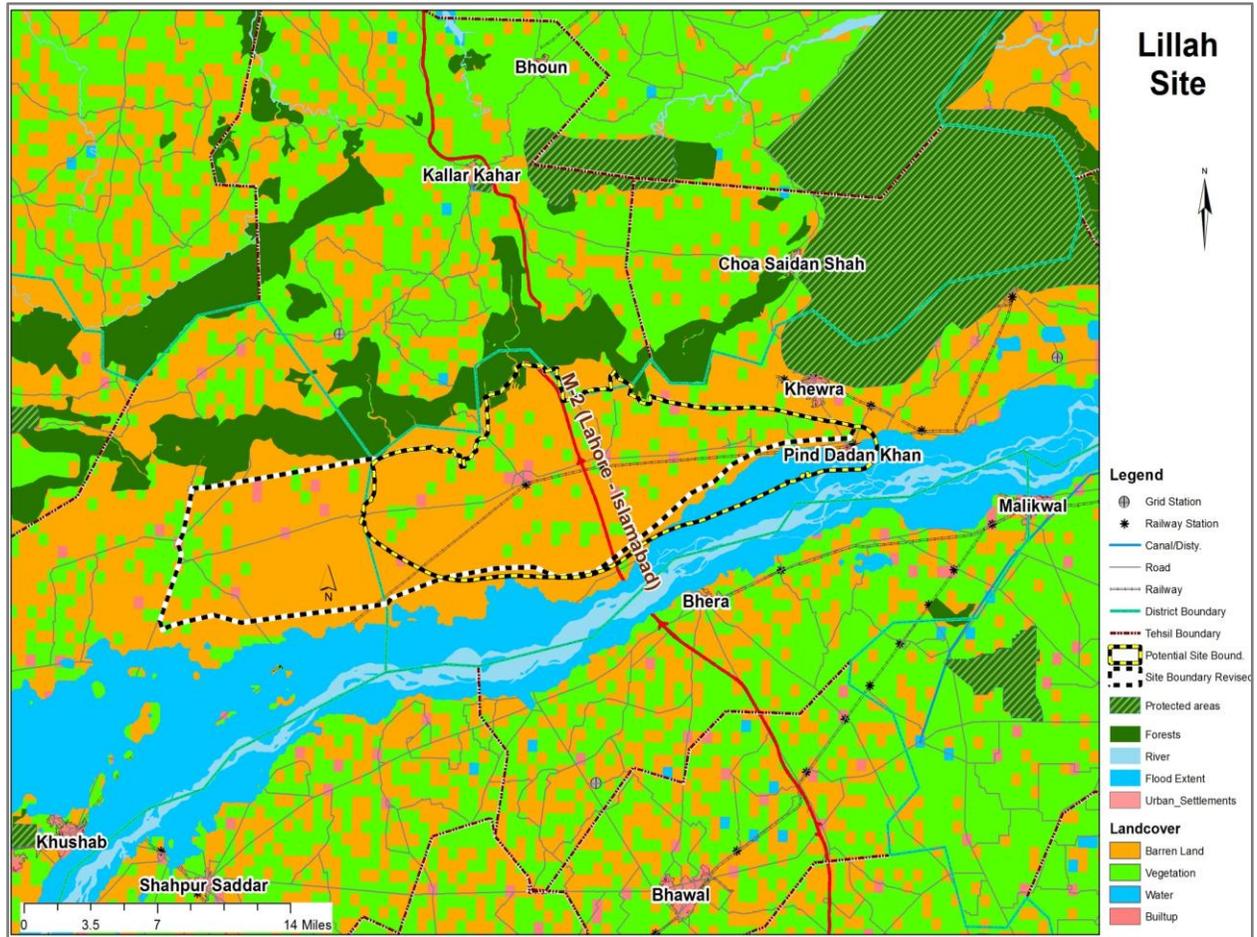
The project is expected to achieve following results;

- Responding to the **pressures of urbanization.**
 - Employing smart urban planning concepts and practices aimed at promoting economic growth, livability, sustainability and resilience for a city of **2 million population**
- **Expanding opportunities** for diverse work-live-play activities in the region
- **Generating sustainable investment** and other economic outcomes derived from this
- **Diversifying industrial and urban development** and support infrastructure
- **Alleviation of the negative impacts of urbanization**
 - Congestion, failing infrastructure, etc.
- Provision of well-sited industrial land for **development of sustainable industrial base** in the city

4. Project Description

4.1) Project Area/Location

264 square KM at Lillah. The site map is as under;



4.2) Project Duration (Gestation Period)

3 Years

5. Current Implementation Status

Frost & Sullivan conducted the pre-feasibility study to identify potential candidates for development of a New Economic City (NEC) in the province of Punjab. The selection endeavor was divided into two phases as delineated henceforth.

Phase 1: Baseline Market Demand and Analysis

Herein, Frost & Sullivan conducted and reported on the baseline market demand analysis of potential sites within the province. A preliminary site list was developed as an output of this phase by conducting a broad-level scan across the province of Punjab to identify sites which may be suitable for development of a NEC. Through this process, experts from Frost & Sullivan identified 12 potential sites from the list based on a ranking from their analytical framework (in correspondence with the guiding objectives). The framework, as delineated below, was also guided by consideration for proximity to main transportation links, access to conducive land terrain, and availability of raw materials and energy sources.



Government of the Punjab Planning and Development Department

For a start, Frost & Sullivan conducted a review of the current state of economic development within the province in order to determine the need for development of NEC. The exercise also encompassed determination of site selection criteria for international benchmarking and identification of potential cities for the benchmarking exercise. Following this, they conducted a global benchmarking exercise to filter and identify *relevant planned* international cities for guiding NEC development. The prime intent was to chart best practices therein and elicit relevant learning takeaways derived from these precedents for development of the NEC. A shortlisting of 6 global cities was reached as a result of the exercise, wherein concerted analyses of comparable data were conducted on each selected city to garner key takeaways on their planning, development and progress with relevance to planning of NEC. Several key factors were thence identified as contributing most to success of implementation and development, and subsequent sustained growth. These were considered as selection parameters for potential sites in Phase 2.

Demand assessment and justification thereof for NEC development was also examined in light of institutional and stakeholder surveys, and secondary research. For this purpose, Frost & Sullivan conducted surveys with relevant stakeholders involving separate tailor-built questionnaires for both enterprises and citizens throughout Punjab, with the intent to garner stakeholder perceptions on the current state of Punjab's major cities, and viability and preferences for NEC development. Perspectives from these surveys were employed as key themes in Phase 2, including the following:

- Proximity to Key Economic Hubs
- Importance of robust infrastructure and sufficient land
- Preference of citizens to relocate rather than commute

These themes and the underlying factors constituted the analytical indications on which top 12 potential sites were identified for subsequent assessment and studied in detail in Phase 2.

Phase 2: Site Selection

This phase comprised the actual site selection activities including identification of locations potentially suited for new city development and assessment thereof. It focused on site selection criteria development and identification of potential sites at 8 locations as determined from Phase 1. A concerted data collection exercise followed feeding into evaluation of suitability of these sites from both technical and economic standpoints. The economic component was intended to identify industrial linkages and economic interconnectivity pertaining to the shortlisted sites. Finally, a cost-benefit analysis exercise provided for the economic justification for these sites, taking into consideration geographical parameters, key infrastructure requirements for developing the new city and estimated development costs therein. It also identified and analyzed potential demand and key factors to ensure success of NEC.