

Prefeasibility Study for the Development of New Economic City in Punjab, Pakistan

Phase 2 – Site selection report

The general comments are discussed and agreed between Prof. Dr. Suleiman S. Abu-Kharmeh and Dr. Sebastian Elbe (Members of the Technical Committee of Experts to the Government of the Punjab Planning & Development Department regarding (TC) on P155963: Program-For-Results Operation: Punjab Jobs and Competitiveness, Pillar 2: Punjab Spatial Strategy (financed by Worldbank).

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Background

Dr. Suleiman and Dr. Sebastian have been provided with the above mentioned report dated 16 September 2016 by Syeda Naqvi (by email dated 05.10.2016) and went individually through the report as done for the RfP review and Phase 1 report. The following comments are joint comments which have been discussed and agreed.

General Comments

The main report summarizes the results of the site assessment and selection and presents more detailed information in the annexes.

The methodology of site assessment and selection is not well elaborated and to some extent contradicting due to not explicitly mentioned trade offs. First, the report presents a collection of (to some extent very) different sets of criteria:

- Preliminary Site selection
- Key principles (p. 6)
- On site field visits (p. 8)
- Survey results (p. 10ff)
- Benchmark exercise (p. 13f)
- Categories and parameters for site pre-selection (p. 15ff)

The sets of assessment criteria are presented in different sections (Section 2, 4 and 5) and not in a consistent way: It remains unclear which lessons learnt from Phase 1 report have been taken into account and which not and how the different sets of criteria are linked to each other. We propose to present a consistent and staged set of selection criteria as basis for a sound assessment. Some examples about unclear criteria can be found below in our section related comments.

In addition, we support the Consolidated Comments on NEC Phase II Report from the Urban Unit (October 2016).

Furthermore, we want to point out the clear need for embedding the NEC into an overall Regional Spatial Strategy for Punjab. Both Phase 1 and Phase 2 report highlight the importance of CPEC. If there is put that much emphasis and expectations on CPEC it should be discussed and decided if NEC should and could serve as a growth centre within the future CPEC development corridor from China to Gwadar Port. NEC could for example serve as a key investment for a decentralised economic development in Punjab region and simultaneously strengthen the south of the region. The assessment criteria for site selection would look different because close proximity with Lahore or Faisalabad might not be a major criteria anymore. We advise to discuss and decide on these questions and to revisit the site selection criteria.

Section 2 Methodology of Site Selection

This section has three pages only and no information is provided regarding the selection process of the 12 pre-selected sites (Preliminary List). The south of Punjab seems to be underrepresented especially if one take into account that NEC could also be targeted towards a more decentralized economic development of Punjab region. We propose to present the whole staged selection criteria in this section including the documentation from which sources the criteria is derived.

Comments on key principles (KP):

KP 2: Economic Sustainability: The summary presented in the table is not linked to spatial dimension / site selection criteria. Economic sustainability seems to be more linked to the internal economic/business structure of the NEC. The table should contain criteria to sustain NEC (e.g. water supply, energy, raw materials, (skilled) work force etc.).

KP 3 and KP 4: The difference between these two KPs is not clear.

KP 1 and KP 5 as well as KP 3 and KP 4: Trade offs between selecting a site in close proximity to existing infrastructure to address KP 3, 4, 5 (e.g. Pindi Bhattiyan) and expected congestion and failing infrastructure if a 2 Mio inhabitant NEC is implemented, should be discussed more carefully to avoid overcrowding in existing population and traffic nodes.

In addition, more attention should be given to future infrastructure and not only taking into account existing infrastructure (especially roads). Especially if NEC should also serve as an anchor for a more decentralised economic development of the region. As a result, we see a clear need to embed NEC into an overall Regional Spatial Strategy for Punjab. It should also be discussed and decided if NEC should serve as a growth pole in the planned CPEC development corridor. And if yes, how this results in a revised set of selection criteria.

We don't understand why the information gathering during the filed visits was not closely linked to the key selection principles. In addition, issues like natural environment, security and development potential of the site without NEC is not or not sufficiently addressed (see also comments regarding Section 3).

Section 3 Relevant Insights from Phase 1

Examples for contradiction / not sufficiently discussed trade offs and missing criteria:

- “As this is a pre-feasibility study, no technical and geological assessments/tests were required at this stage. Through the site visits, we gathered pertinent information through our observations and on-the-ground interviews/discussions with local citizens, business owners, and relevant stakeholders” (p. 8).
 - ➔ Geological assessment (rough screening) should be part of Stage 1 analysis (parameters in stage 1 provided a static understanding of the site’s conduciveness to develop a city; p. 21).
 - ➔ The report highlights this on page 10: “In order to sustain economic and industrial development for the NEC, it is important that a comprehensive analysis be conducted to identify the most ideal site location for the development of the city. This will involve an evaluation of both geographical factors as well as synergistic factors due to existing economic/industrial activities in Punjab. This will help set in place fundamentals required to facilitate the economic exchange between existing businesses and businesses formed in the new city.”
 - ➔ Also on page 16: Part of the Phase 1 selection process category “Land Size”: “Elements such as site topography, temperature range, mean annual rainfall and earthquake risk need to be conducive for the development of the NEC.”

Pre-determination of sites? (see 1) Proximity to Key Economic Hubs)

The assessment criteria also includes the main results from the survey in Phase 1. One aspect mentioned is the following: “Within the top 5 economic hubs, the only other hub that the NEC could have proximity with while maintaining proximity with Lahore and Faisalabad. In addition to proximity, it is important that the NEC be connected with the economic hubs through a robust transport link. Based on a survey of current available transport infrastructure, the M2 or M3 motorways would be the optimal choice, with the GT road a secondary choice due to more congestion and the relative condition of the road” (p. 11).

- ➔ If this is agreed then the preliminary list should have looked different: All pre-selected sites in the south and west of the region could have been skipped because of no proximity with Lahore and Faisalabad.
- ➔ Another view would be to align the selection criteria with the CPEC. This would mean that NEC serves as a growth centre in the planned development corridor. If this is agreed then other selection criteria would be much more important than proximity with Lahore and Faisalabad.

Underestimation of electricity, security and utilities? (see 2) Importance of robust infrastructure and sufficient land)

“The provision of electricity will be addressed by the multiple power stations under development, while provision of security/utilities is more dependent on sound urban planning rather than location” (p. 12).

Security is only reflected in Stage 2b – Final Analysis as one out of four indicators in the category 'liveability' with a weightage of 10% (p. 23). As pointed out in Phase 1 report security is an important issues not only regarding the security within the NEC but also regarding save accessibility of the NEC by road, rail, air.

No integration of 'Benchmarking Exercise – Key Success Factors'?

The Experiences and results gained in the so called benchmark exercise should not only be mentioned separately but integrated into a consistent and staged set of site selection criteria.

4. Site Selection - Stage 1

The five categories used for the pre-selection of the 12 sites differ again from the mentioned possible selection criteria e.g. proximity to the five major economic hubs (especially with Lahore and Faisalabad) derived from the surveys. This is not reflected in the selection criteria. The weightage is also not explicitly justified. Even equal weight would need a justification because the number of categories is a decision as such.

The whole description of the assessment of Punjab region to pre-select 12 sites is two pages text and a one page map only.

5. Site Selection - Stage 2

The selection criteria for the final selection is build upon 50% of the Potential for Economic Activity (Stage 1), 30% from the surveys (enterprise and citizen preference) and two times 10% for additional indicators. Again, it is not really clear why these selection criteria are used at this stage with the weight allocated. There is a need for presenting a consistent assessment system including justification of criteria and weight.

Annex I – Details of Individual Sites

Shows some insight of assessed sites in a structured and common approach also using the same maps for all sites so that a comparison between the sites is possible.

Annex II – Findings of Site Visits

Should have been more targeted and structured along the selection criteria to highlight site specific issues.

Annex III – Land Use Distribution Plan to Estimate Development Cost of the New Economic City

Should be explained in more detail but this is more subject to Phase 3 of the pre-feasibility study.