

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

Phase 3 – Proposed Implementation, Financial Model and Expected Impacts

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 07 Oktober 2016 by Syeda Naqvi (by email dated 08.10.2016) and went individually through the report as done for the RfP review as well as Phase 1 and Phase 2 report. The following comments are joint comments which have been discussed and agreed.

General Comments

The report starts (Section 2) with an overview about the three possible NEC development models 'Government owned', 'Private owned' and 'Public-private-partnership' including advantages and disadvantages. The description also includes examples. Especially the example of King Abdullah Economic City in Saudi Arabia is described in detail (e.g. documenting the names of Board Members, p. 18) and serves as a kind of good practice on which the authors base their recommendations for the implementation of NEC. The argumentation and the discussed implications (model, financial, governance) are comprehensible.

Section 3 contains the aspects of land use considerations and development phasing. The considerations are based on different sources/inputs (NRM, strategic imperatives, ToR, Phase 1 Report, best practice). Comparable with the missing clear structure and derivation of site selection criteria in Phase 2 report also the considerations in Phase 3 report are not comprehensible. The weighting of the different inputs is not described and the implications for NEC are understood input by input but a consistent approach is missing. In addition, it has to be questioned if the consultant had enough information to deliver these aspects: To define NEC a lot of political decisions need to be taken – it is not possible to derive everything from data or documents. We recommend to discuss the report intensively with Urban Unit as well as concerned ministries and institutions and to feedback the results into the report. As a result detailed comments regarding land allocation proportions are not useful at this stage.

We have already recommended in our comments regarding Phase 2 Report to embed the NEC into an overall Regional Spatial Strategy for Punjab. All three reports 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. And if proximity with Lahore or Faisalabad remains as a core selection criteria the questions why there is a need for a third international airport should be discussed and answered explicitly.

The presented phasing model covers 40 years which seems to be a very long timeframe before the background of the urbanisation pressure mentioned in Phase 1 report (see also p. 56 Phase 3 report). One detailed question: Why should all arterial roads be built in phase 1 if there is a timeframe of 40 years?

The sensitivity analysis (p. 50ff) shows the huge challenges and uncertainties linked to the forecast of NEC's economic implications. This is should also kept in mind when looking at Section 5.