

Karachi Water and Sewerage Services Improvement Project II(KWSSIP)

SECOND QUARTERLY PROGRESS REPORT

April – June 2025

Submission: 12th August, 2025

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List of Abbreviations/ Acronyms

AIB	Asian Infrastructure Investment Bank
CERC	Contingent Emergency Response Component
E&S	Environmental & Social
ESC	Environmental and Social Cell
GIS	Geographic Information System
GoS	Government of Sindh
HR	Human Resource
KWSSIP	Karachi Water & Sewerage Services Improvement Project
KW&SC	Karachi Water & Sewerage Corporation
M&E	Monitoring & Evaluation
NRW	Non Revenue Water
PIU	Project Implementation Unit
PPP	Public Private Partnership
RP	Resettlement Plan
STDC	Sindh Transmission & Dispatch Company
WB	World Bank

1. Introduction

1.1 Project Background

The Second Karachi Water and Sewerage Services Improvement Project (KWSSIP-2) is being implemented by the Government of Sindh (GoS) through the Karachi Water and Sewerage Corporation (KWSC), with financial support from the World Bank (WB) and the Asian Infrastructure Investment Bank (AIIB). The project aims to improve access to safely managed water supply and sewerage services in Karachi and strengthen the institutional, financial, and operational capacity of KWSC.

The project comprises the following four components:

Component 1: Capacity Building and Reform of KWSC – Focuses on institutional strengthening, organizational restructuring, utility modernization, gender-inclusive HR practices, development of GIS, billing systems, water quality labs, and support to the KWSC E&S Cell.

Component 2: Safely Managed Water Supply and Sanitation Services – Supports physical investments including water distribution and sewer network rehabilitation, non-revenue water (NRW) reduction, water treatment plant upgrades, K-IV augmentation, and a wastewater recycling facility through PPPs.

Component 3: Project Management and Studies – Covers design reviews, supervision, M&E, beneficiary surveys, E&S risk management, and feasibility studies for future projects.

Component 4: Contingent Emergency Response Component (CERC) – Provides flexibility for reallocating funds in case of eligible emergencies.

1.2 Scope and Objectives of the QPR

This report presents a comprehensive overview of the progress made during the reporting period on the environmental and social safeguards of the Karachi Water and Sewerage Services Improvement Project (KWSSIP) II and associated facilities.

2. Environmental and Social Team for KWSSIP II

The Senior Environmental Specialist joined the project on **March 1, 2025**, while the Senior Social Development Specialist is expected to be onboard from **July 7, 2025**. As per ESCP,

“In addition to maintaining the existing one Environmental Specialist, 1 Social Development Specialist, and one Gender Specialist for KWSSIP1, recruit additional positions as part of the PIU as follows: a. One Senior Environmental Specialist, one Senior Social Development Specialist. b. One OHS specialist, one Senior Gender Specialist and four field E&S staff, i.e., two Environmental Specialist and two Social Specialists, as part of the KWSSIP-2 PIU”.

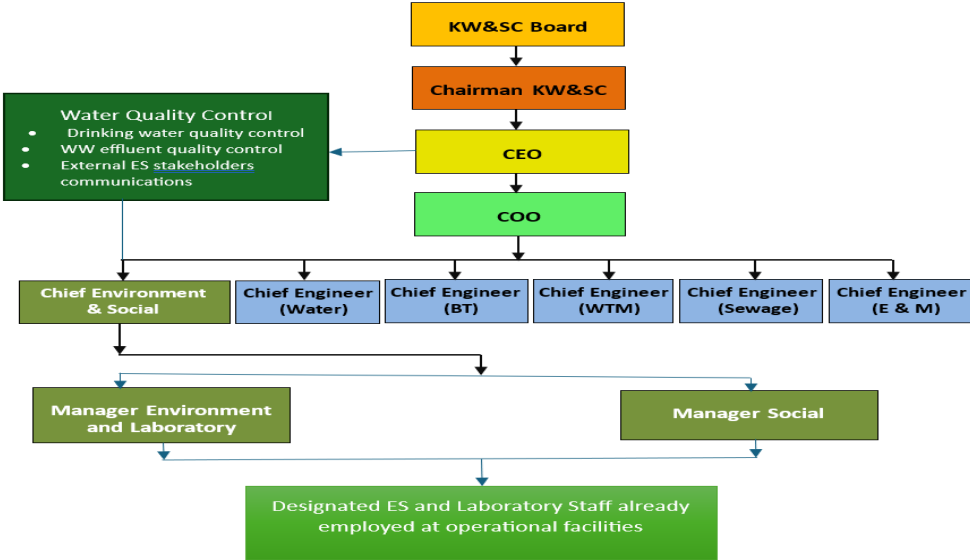
No progress in hiring of the additional positions in the reporting period.

3. Environmental and Social Cell at Karachi Water & Sewerage Corporation

KWSC has issued a formal notification on 22nd April, 2025 establishing the Environmental and Social Cell. As per the notification, **Mr. Shakil Qureshi**, Chief Engineer (Electrical & Mechanical) and Director Investment for KWSSIP, has been designated as the Head of the Cell. No further progress has been made during the current reporting period.

Organizational Structure. E&S Cell under the **COO** for authority and visibility.

Proposed staffing: Head (Chief E&S), Manager Environment, Manager Social, E&S Specialists (existing), and Lab/Field Technicians.



4. Update on the Progress of Environmental & Social Commitment Plan (ESCP)

ESCP REF NO.	MATERIAL MEASURES & ACTIONS	TIME FRAME	RESPONSIBLE ENTITY	COMMENTS/REMARKS
A	<p>REGULAR REPORTING</p> <p>Prepare and submit to the Bank regular monitoring reports on the environmental, social, health and safety (ESHS) performance of the Project, including but not limited to the implementation of the ESCP, status of preparation and implementation of E&S instruments required under the ESCP, stakeholder engagement activities, and functioning of the project Grievance Redress Mechanism (GRM)</p> <p>A K-IV Coordination and E&S Implementation Committee shall be formed comprising of the managers of the four major pieces of infrastructure (KBFU, K-IV Main Phase 1, K-IV Augmentation Phase 1 and Power Transmission of 50 MWs) to continue monitoring and reporting on the E&S implementation and on construction/rehabilitation progress</p>	<p>Submit quarterly reports to the Bank throughout Project implementation, commencing after the Effectiveness Date. Submit each report to the Bank no later than 15 days after the end of each reporting period.</p> <p>Ensure the committee is in place prior to project effectiveness.</p> <p>Quarterly reporting with flexible periodicity of reporting based on compliance and status of reported grievances.</p>	<p>Project Director (PD), Environment and Social (E&S) Team (including Senior Environmental, Senior Social, Senior Gender and Occupational Health and Safety Specialists and field staff comprised of two Environmental and two Social Specialists) in the Project Implementation Unit (PIU)</p>	<p>First E&S Quarterly Report has been submitted to the Bank on 23rd May, 2025</p> <p>Committee notified on 7 Jan 2025; first meeting held on 23 Apr 2025; Second held on May 22nd, 2025 First QPR of KIV Coordination committee has been submitted to the bank.</p>

	<p>on a quarterly basis. This committee shall report on the i. monitoring of Keenjhar Lake water balance, ii. E&S review including Gap Analysis and Corrective Actions iii. Corrective Action Plan - Resettlement (CAP-RP), iv. E&S assessment implementation of power transmission line of K-IV, and; v. LARP development and implementation for power transmission line of K-IV.</p>			
B.	<p>INCIDENTS AND ACCIDENTS Promptly notify the Bank of any incident or accident related to the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including, inter alia, cases of sexual exploitation and abuse (SEA), sexual harassment (SH), and accidents that result in death, serious or multiple injury. Provide sufficient detail regarding the scope, severity, and possible causes of the incident or accident, indicating immediate measures taken or that are planned to be taken to address it, and any information provided by any contractor and/or supervising firm, as appropriate. Subsequently, at the Bank’s request, prepare a report on the incident or accident and propose any measures to address it and prevent its recurrence.</p>	<p>Notify the Bank no later than 24 hours after learning of the incident or accident. Provide subsequent reports to the Bank: initial report within 2 days and detailed report within 10 days.</p>	<p>PD, E&S Team in the PIU</p>	<p>Contract for Common Corridor with KBRT-2.7 km from Nipa to Hassan Square Transmission Main and Appurtenance for 96” & 72” Dia. Pipeline signed on 3rd June, 2025. No activity started in the reporting period.</p>
C.	<p>CONTRACTORS’ MONTHLY REPORTS Require contractors and supervising firms to provide monthly monitoring reports on ESHS performance in accordance with the metrics specified in the respective bidding documents and contracts and submit such reports to the Bank on a quarterly basis</p>	<p>Submit the monthly reports to the Bank upon request as annexes to the reports to be submitted under action A above.</p>	<p>PD, E&S Team in the PIU</p>	<p>Contract for Common Corridor with KBRT-2.7 km from Nipa to Hassan Square Transmission Main and Appurtenance for 96” & 72” Dia. Pipeline signed on 3rd June, 2025. No activity started in the reporting period.</p>
D.	<p>NOTIFICATIONS RELATING TO DAAB COMPLIANCE REVIEW OF CONTRACTOR COMPLIANCE WITH SEA/SH</p>			

	<p>PREVENTION AND RESPONSE OBLIGATIONS</p> <p>Notify the Bank of any referral submitted to the Dispute Avoidance and Adjudication Board (DAAB) to initiate a process of compliance review in relation to a contractor’s obligations to prevent and respond to sexual exploitation and abuse (SEA), and/or sexual harassment (SH) specified in the respective works contract with such contractor; and, in the event of any such referral, notify the Association of: (i) the DAAB’s decision on such referral; (ii) the contractor’s Notice of Dissatisfaction, if any, with such DAAB decision; (iii) any notification received on the commencement of an emergency arbitration proceeding or full arbitration proceeding in relation to the DAAB’s decision; and (iv) the resulting emergency arbitration order and/or full arbitration order, if any.</p>	<p>No later than 5 days after the issuance or receipt, as applicable, of the relevant document (i.e., referral to the DAAB, issuance of DAAB decision, Notice of Dissatisfaction, notice of commencement of emergency/full arbitration, emergency/full arbitration order, as applicable).</p>	<p>PD KWSSIP</p>	<p>DAAB committee members nominated</p>
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ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS

<p>1.1.</p>	<p>ORGANIZATIONAL STRUCTURE</p> <p>1. In addition to maintaining the existing one Environmental Specialist, 1 Social Development Specialist, and one Gender Specialist for KWSSIP1, recruit additional positions as part of the PIU as follows:</p> <ul style="list-style-type: none"> a. One Senior Environmental Specialist, one Senior Social Development Specialist. b. One OHS specialist, one Senior Gender Specialist and four field E&S staff, i.e., two Environmental Specialist and two Social Specialists, as part of the KWSSIP PIU. <p>2. Establish permanent E&S cell in KWSC with clear mandate and appropriate E&S organizational</p>	<p>1a. These two positions will be in place prior to project effectiveness. 1b. These six positions will be in place within three months of Project Effectiveness.</p> <p>2. All the institutional arrangements required for an effective E&S Cell should be in place within 1 year of effectiveness of the project.</p> <p>The E&S cell will include permanent staff as part of the KWSC structure and</p>	<p>1. PD KWSSIP</p> <p>CEO/ KW&SC</p>	<p>Senior Environmental Specialist has been hired; on 1st March, 2025</p> <p>Senior Social Development Specialist to be onboard by July, 2025.</p> <p>Director Investment who is also Chief</p>
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	structure and personnel including E&S Director, ESHS specialists, support staff and required permanent arrangements.	thereafter maintain these positions throughout Project implementation.		Engineer E&M KWSC has been nominated as the head of the cell.
1.2.	<p>ENVIRONMENTAL AND SOCIAL INSTRUMENTS</p> <p>1. The EMF and SMF already prepared (covering both KWSSIP 1 and KWSSIP 2) will remain applicable for the purposes of screening of unidentified sub-projects and activities.</p> <p>2. The following instruments have been prepared consulted and disclosed by the project:</p> <p>a. ESIA</p> <p>i. (ESIA) for K-IV Augmentation subproject (construction of three water supply conveyance in Karachi), consistent with the relevant ESSs.</p> <p>ii. ESIA for Construction of Malir Basin Wastewater Interceptors and Treatment Plant (TP-IV) subproject, consistent with the relevant ESSs.</p> <p>b. ESMPs</p> <p>ESMP for Rehabilitation and Reconstruction of Existing Water Treatment Plants.</p> <p>ESMP for Priority Water Network Rehabilitation and Extension including installation of Meters / DMAs and Additional Chlorination Facilities (subcomponent 2.3)</p> <p>ESMP for Priority Sewer Network Rehabilitation and Extension (subcomponent 2.2)</p> <p>ESMP for Reducing Energy Consumption at KWSC Existing Facilities (subcomponent 2.4)</p>	<p>1. Implement the EMF and SMF as and when any yet unidentified sub-projects and activities are known.</p> <p>2. All ESIA, Site specific ESMPs, SEP, LMP, RAPs and ARAPs have been prepared. The relevant aspects will be included in contractor bidding documents and thereafter implemented as part of the contracts. The Malir Basin ESIA to be updated during project implementation to include the recycling and distribution network.</p>	<p>1. PD, E&S Team in the PIU</p> <p>2. E&S Team of PIU</p>	<p>All instruments have been prepared and disclosed on KWSSIP website. Additionally, ADB is finalizing the selection of the consultant to conduct the comprehensive feasibility study for TP 4. Separately, ADB has appointed MMP consultants to update the ESIA. But the contract with MMP is currently on hold as MMP cannot initiate the updating work before it coordinates with the F/S Consultant.</p>

	<p>ESMP for Improvement of Water Supply and Sewerage networks in Low Income Communities (sub-component 2.1)</p> <p>c) Labor Management Procedures (LMP)</p> <p>d. Stakeholder Engagement Plan (SEP)</p> <p>e. Resettlement Plans:</p> <p>i. Corrective Action Plan for K-IV Mainstream ii. Merged RP Malir Basin Wastewater Interceptor and Sewage Treatment Plant (TP-IV) (subcomponent 2.7), Priority Sewer Network (subcomponent 2,2) and K-IV Augmentation (subcomponent 2.5(ii))</p> <p>iii. Abbreviated Resettlement Action Plan for Low Income Communities (sub-component 2.1)</p> <p>iv. Land Acquisition & Resettlement Plan (LARP) for the ROW of power transmission line for K-IV</p> <p>f. Prepare a standalone sexual exploitation and abuse and sexual harassment (SEA/SH) action plan.</p> <p>g. Conduct an E&S audit, including any corrective measures, to ascertain and ensure that the works for retroactively financed activities have been and will continue to be carried out in a manner that is consistent with the World Bank ESF requirements and the GoS Resettlement & Rehabilitation policy.</p> <p>h. Conduct annual E&S monitoring of Project activities through an independent monitoring agency or consultants in a manner acceptable to the Bank.</p>			
1.3.	<p>MANAGEMENT OF CONTRACTORS</p> <p>Incorporate the relevant aspects of the ESCP, including, inter alia, the relevant E&S instruments, the Labor Management Procedures,</p>	<p>As part of the preparation of procurement documents and respective contracts. Supervise contractors throughout</p>	<p>PD, Procurement Specialist, E&S Team in the PIU</p>	<p>Contract for Common Corridor with KBRT-2.7 km from Nipa to Hassan Square Transmission Main and</p>

	<p>and code of conduct, into the ESHS specifications of the procurement documents and contracts with contractors and supervising firms. Thereafter ensure that the contractors and supervising firms comply with the ESHS specifications of their respective contracts.</p> <p>2. These requirements include, inter alia: Each contractor/bidder will propose an ESHS specialist as the contractor’s key personnel at the site.</p> <ul style="list-style-type: none"> • All contractors/bidders will submit and then implement the code of conduct that will apply to the contractor’s employees and subcontractors including on SEA/SH. • All contractors will be required to submit for approval and subsequently implement a Contractor’s Environment and Social Management Plan (CESMP). • All contractors will be required to comply with the ESHS specifications of their respective contracts. • The contractors/bidders shall submit a Forced Labor Performance Declaration (which covers past performance), and a Forced Labor Declaration (which covers future commitments to prevent, monitor and report on any forced labor, cascading the requirements to their own subcontractors and suppliers). 	<p>Project implementation and ensure monthly reports from contractors are included as annex to Quarterly Progress Reports from PIU</p>		<p>Appurtenance for 96” & 72” Dia. Pipeline signed on 3rd June, 2025. No activity started in the reporting period.</p>
<p>1.5.</p>	<p>CONTINGENT [EMERGENCY] [EARLY] RESPONSE FINANCING)</p> <p>1. Ensure that the CERC Manual as specified in the legal agreement includes a description of the ESHS</p>	<p>1. The adoption of the CERC and, if applicable, other instruments, in form and substance acceptable to the Bank is a withdrawal condition</p>	<p>PD, E&S Team in the PIU</p>	<p>N/A</p>

	<p>assessment and management arrangements including the CERC-ESMF/ESMF Addendum that will be included or referred to in the CERC Manual for the implementation of the CERC component, in accordance with the ESSs.</p> <p>2. Adopt any environmental and social (E&S) instruments which may be required for activities under the CERC component, in accordance with the CERC Manual and, and the ESSs, and thereafter implement the measures and actions required under said E&S instruments, within the timeframes specified in said E&S instruments.</p>	<p>under Section G of Schedule 2 of the legal agreement for the Project.</p> <p>2. Adopt any required E&S instrument and include it as part of the respective bidding process, if applicable, and in any case, before the carrying out of the relevant Project activities for which the E&S instrument is required. Implement the E&S instruments in accordance with their terms, throughout Project implementation.</p>		
1.6.	<p>ASSOCIATED FACILITIES</p> <ol style="list-style-type: none"> 1. The below due diligence documents have been prepared for the Greater Karachi Bulk Water Supply Project (K-IV phase 1/K-IV main) an associated facility: 2. E&S review including Gap Analysis and Corrective Actions for the 110 km water conveyance system. 3. Corrective Action Plan - Resettlement (CAP-RP) for water conveyance system. 4. The below E&S documents will be prepared for K-IV phase 1/K-IV main power transmission line: <ol style="list-style-type: none"> a. ESIA in line with WB ESF requirements and the local legislation. b. Land Acquisition & Resettlement Plan in line with the provincial R&R policy and ESS 5 of the ESF policy. 	<ol style="list-style-type: none"> 1. Prior to the start of works on the K-IV Augmentation subcomponent 2.5(ii), ensure the implementation of the Corrective Actions for K-IV main as provided in the E&S Review Report. 2. Prior to commencement of works on K-IV Augmentation subcomponent 2.5(ii), implement the CAP-RP for K-IV main project. 3. Finalize ESIA prior to invitation for bids for EPC contracts of the power transmission 	<p>PD, E&S Team in the PIU</p> <p>E&S Implementation Committee</p>	<p>Discussed in Section 6 of the QPR</p>

		<p>line, grid station and allied works; and make the ESIA a part of the bidding documents.</p> <p>4. Implementation of LARP before commencement of physical work on the power transmission lines.</p>		
ESS 2: LABOR AND WORKING CONDITIONS				
2.1.	<p>LABOR MANAGEMENT PROCEDURES</p> <p>Adopt and implement the Labor Management Procedures (LMP) for the Project during its construction and operational phases, including, inter alia, provisions on working conditions, management of workers relationships, occupational health and safety (including personal protective equipment, and emergency preparedness and response), code of conduct (including relating to SEA and SH), forced labor, child labor, grievance arrangements for Project workers, and applicable requirements for contractors, subcontractors, and supervising firms.</p>	<p>Adopt the LMP prior to engaging Project workers, and thereafter implement the LMP throughout Project implementation.</p>	<p>PD, E&S Team in the PIU</p>	<p>Contract for Common Corridor with KBRT-2.7 km from Nipa to Hassan Square Transmission Main and Appurtenance for 96” & 72” Dia. Pipeline signed on 3rd June, 2025. No activity started in the reporting period.</p> <p>All LMP requirements will form part of the CESMP. The consultant and contractor have been directed to implement all LMP provisions prior to the start of the project.</p>
2.2.	<p>GRIEVANCE MECHANISM FOR PROJECT WORKERS</p> <p>Establish and operate a grievance mechanism for Project workers, as described in the LMP and consistent with ESS2, having provisions to address labor-related SEA/SH issues including provision of a referral system.</p>	<p>Establish grievance mechanism prior to engaging Project workers and thereafter maintain and operate it throughout Project implementation.</p>	<p>PD, E&S Team in the PIU</p>	<p>Contract for Common Corridor with KBRT-2.7 km from Nipa to Hassan Square Transmission Main and Appurtenance for 96” & 72” Dia. Pipeline signed on 3rd June, 2025. No activity started in the reporting period. Workers’ GRM will be in place</p>
2.3.	<p>OCCUPATIONAL HEALTH AND SAFETY (OHS) MEASURES</p> <p>Prepare, adopt, and implement occupational, health and safety</p>	<p>Prior to commencement of work and throughout project implementation</p>	<p>Contractors, E&S Team of PIU</p>	<p>Contract for Common Corridor with KBRT-2.7 km from Nipa to</p>

	(OHS) measures specified in LMP, ESIA's and ESMPs prepared under action 1.2 above. In addition, contractors will develop (prior to the start of construction works) and implement a site-specific OHS management plan consistent with measures in the ESMPs developed for the subprojects. The site specific OHS management plan should also include standard operating procedures to address risks related to COVID-19.			Hassan Square Transmission Main and Appurtenance for 96" & 72" Dia. Pipeline signed on 3 rd June, 2025. No activity started in the reporting period.
2.4.	OCCUPATIONAL HEALTH AND SAFETY AWARENESS The Contractors shall develop a training plan and provide training to all their workers, before they start working on site, on basic environment, social, occupational health and safety risks associated with the proposed construction works and the workers' responsibility. The training program shall be repeated every month.	Prior to commencement of work and throughout project implementation	Contractors, E&S Team of PIU	Contract for Common Corridor with KBRT-2.7 km from Nipa to Hassan Square Transmission Main and Appurtenance for 96" & 72" Dia. Pipeline signed on 3 rd June, 2025. No activity started in the reporting period.
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT				
3.1.	WASTE MANAGEMENT PLAN Adopt and implement Waste Management Plans (WMP) as part of the ESMPs under action 1.2, to manage hazardous and non-hazardous wastes, consistent with ESS3.	Adopt the WMP prior to the mobilization of construction contractors, and thereafter implement the WMP throughout Project implementation.	PD, E&S Team in the PIU, contractors	Contract for Common Corridor with KBRT-2.7 km from Nipa to Hassan Square Transmission Main and Appurtenance for 96" & 72" Dia. Pipeline signed on 3 rd June, 2025. No activity started in the reporting period.
3.2.	RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT 1. Incorporate resource efficiency and pollution prevention and management measures in the ESIA's and ESMPs prepared under action 1.2 above. 2. A detailed water Balance study has been completed by the client. Increased water delivery to Keenjhar Lake will be realized via the rehabilitation of KBFU canal (either through decreased seepage	<ol style="list-style-type: none"> 1. Same timeframe as for the adoption and implementation of the ESIA's and ESMPs 2. Ensure the rehabilitation of KBFU commence prior 	PD, Procurement Specialist, E&S Team in the PIU, contractors E&S Implementation Committee	

	or increased conveyance) before an equal or lesser among is withdrawn for K-IV Main/Augmentation. 3. A Keenjhar Lake Conservation Plan (KLCAP) committee will be constituted in accordance with the Ecological Assessment (reference: Table 5-1: KLCAP Actions Implementation Framework) and conduction of a Critical Habitat Assessment (CHA).	to the start of construction of K-IV Augmentation subcomponent 2.5(ii). 3. KLAP Committee constituted and CHA conducted prior to start of K-IV	KLAP Committee	Keenjhar Lake Conservation Action Plan (KLCAP) committee has been constituted on 18 th June, 2025. First Meeting of the Committee is expected to be scheduled in last week of July, 2025.
ESS 4: COMMUNITY HEALTH AND SAFETY				
4.1.	TRAFFIC AND ROAD SAFETY Incorporate measures to manage traffic and road safety risks as required in the ESIA's and ESMPs prepared under action 1.2 above.	Same timeframe as for the adoption and implementation of the ESIA's and ESMPs.	PD, E&S Team in the PIU	Contract for Common Corridor with KBRT-2.7 km from Nipa to Hassan Square Transmission Main and Appurtenance for 96" & 72" Dia. Pipeline signed on 3 rd June, 2025. No activity started in the reporting period.
4.2.	COMMUNITY HEALTH AND SAFETY Assess and manage specific risks and impacts to the community arising from Project activities, including, inter alia, behavior of Project workers, risks of labor influx, response to emergency situations, and include mitigation measures in the ESIA's and ESMPs prepared under action 1.2	Same timeframe as for the adoption and implementation of the ESIA's and ESMPs.	PD, E&S Team in the PIU	Contract for Common Corridor with KBRT-2.7 km from Nipa to Hassan Square Transmission Main and Appurtenance for 96" & 72" Dia. Pipeline signed on 3 rd June, 2025. No activity started in the reporting period.
4.3.	SEA AND SH RISKS Adopt and implement a SEA/SH prevention and mitigation measures included in ESIA's and ESMPs to be prepared under action 1.2 above, to manage the risks of SEA and SH.	Adopt the SEA/SH prevention and mitigation measure before engaging the Project workers, and thereafter implement the SEA/SH prevention and mitigation measures throughout Project implementation.	PD, E&S Team in the PIU	Contract for Common Corridor with KBRT-2.7 km from Nipa to Hassan Square Transmission Main and Appurtenance for 96" & 72" Dia. Pipeline signed on 3 rd June, 2025. No activity started in the reporting period.
4.4.	SECURITY MANAGEMENT Prepare standalone Security Risk Management Plan to Assess and	Security risk management plan to be prepared prior to	PD, E&S Team in the PIU	Contract for Common Corridor with KBRT-2.7 km from Nipa to

	<p>implement measures to manage the security risks of the Project, including the risks of engaging security personnel to safeguard project workers, sites, assets, and activities, guided by the principles of proportionality and GIIP, and by applicable law, in relation to hiring, rules of conduct, training, equipping, and monitoring of such personnel.</p>	<p>commencement of project activities and engaging security personnel and thereafter implemented throughout Project implementation.</p>		<p>Hassan Square Transmission Main and Appurtenance for 96” & 72” Dia. Pipeline signed on 3rd June, 2025. No activity started in the reporting period. Security Management Plan will be part of all CESMPs that will be submitted by the contractors.</p>
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ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT

5.1.	<p>RESETTLEMENT PLANS</p> <ol style="list-style-type: none"> 1. Adopt and implement the merged RP for Construction of Malir Basin Wastewater Interceptor and Sewage Treatment Plant (TP-IV)(subcomponent 2.7), Priority Sewer Network (sub-component 2,2) and K-IV Augmentation (sub-component 2.5(ii), consistent with the ESS5. 2. Adopt and implement the ARAP for Improvement of Water Supply and Sewerage networks in 10 Low-Income Communities subproject (subcomponent 2.1), consistent with the ESS5. 3. Adopt and implement the Corrective Action Plan (CAP) including Resettlement Plan (RP), as well as the CAP completion audit report for K-IV Mainstream, which is associated facility of K-IV Augmentation subproject (construction of three water supply conveyance in Karachi), consistent with the ESS5. 4. Develop and implement the Land Acquisition & Resettlement Plan (LARP) for ROW of power transmission line of K-IV 	<ol style="list-style-type: none"> 1. Adopt and implement the merged RP, ARAP, CAP, LARP for each subcomponent, ensuring that before the mobilization of contractor at the construction site, for that subcomponent, full compensation has been made. 2. Regular monitoring of resettlement activities throughout the Project implementation 	<p>PD, E&S Team in the PIU E&S Implementation Committee</p>	<ol style="list-style-type: none"> 1. TP IV Project will be implemented on PPP modality, so revised ESIA and RP will be prepared. Preliminary ESIA was prepared by KWSSIP in 2023. Given the lapse of time and change in the project scope, ADB, as the advisor to KWSC, is currently mobilizing a consultant to update the ESIA. Update on the RP will be identified in the course of ESIA update. 2. No progress reported, as the project has not yet entered the implementation phase. 3. Progress explained in the section 6.1.1. of the QPR <p>Progress explained in the section 6.2. of the QPR</p>
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	<p>Mainstream, which is an associated facility of the project, consistent with the ESS5. 5. Conduct regular monitoring of resettlement activities through an independent monitoring agency or consultants in a manner acceptable to the Bank.</p> <p>5. CAP – RP as well as the CAP completion audit report for K-IV Mainstream</p> <p>6. Develop and implement the LARP for ROW of power transmission line of K-IV Mainstream</p> <p>7. Conduct regular monitoring of resettlement activities through an independent monitoring agency or consultants in a manner acceptable to the Bank</p>			<p>Implementation of CAP RP not started yet</p> <p>Implementation not started yet.</p> <p>IMA not onboard yet</p>
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES				
6.1.	<p>BIODIVERSITY RISKS AND IMPACTS</p> <p>Adopt and implement mitigation measures to safeguard biodiversity and habitat included in ESIA and ESMPs mentioned under action 1.2.</p>	Prior to commencement of activities for subcomponent 2.5(ii) implement the action plan of the Ecological Assessment for Keenjhar lake throughout the project implementation	PD, E&S Team in the PIU	Keenjhar Lake Conservation Action Plan (KLCAP) committee has been constituted on 18 th June, 2025. First Meeting of the Committee is expected to be scheduled in last week of July, 2025.
ESS 8: CULTURAL HERITAGE				
8.1	<p>CHANCE FINDS</p> <p>Chance finds procedures have been described as part of the ESIA and ESMPs of the Project described under action 1.2 above.</p>	Implement the procedures throughout Project implementation.	PD, E&S Team in the PIU	During the implementation phase
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE				
10.1.	<p>STAKEHOLDER ENGAGEMENT PLAN PREPARATION AND IMPLEMENTATION</p> <p>Adopt and implement the Stakeholder Engagement Plan (SEP) for the Project, consistent</p>	Adopt the SEP before Project effectiveness and thereafter implement the SEP throughout Project implementation.	PD, E&S Team in the PIU	July, 2025 throughout Project implementation. The SEP has been disclosed on the KWSSIP website; stakeholder consultations for the 2.7

	with ESS10, which includes measures to, inter alia, provide stakeholders with timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation.			km alignment are ongoing, and the GRM is operational.
10.2	<p>PROJECT GRIEVANCE MECHANISM</p> <p>Maintain and enhance the established Grievance Redress Mechanism (GRM) to ensure accessibility, transparency, and effectiveness in addressing concerns and grievances related to the Project in a manner that is culturally appropriate and readily accessible to all Project-affected parties, at no cost and without retribution, including concerns and grievances filed anonymously, in a manner consistent with ESS10. The grievance mechanism shall be equipped to receive, register, and facilitate the resolution of SEA/SH complaints, including through the referral of survivors to relevant gender-based violence service providers, all in a safe, confidential, and survivor-centered manner.</p>	Establish the grievance mechanism prior to the commencement of Project activities, and thereafter maintain and operate the mechanism throughout Project implementation.	PD, E&S Team in the PIU	July 2025. The project's GRM is operational for KWSSIP 1 and same will be utilized for KWSSIP 2
CS1	<p>CAPACITY BUILDING</p> <p>The following training will be provided to contractors and project communities:</p> <ul style="list-style-type: none"> • Stakeholder Mapping and Engagement • Specific Aspects of Environmental and Social Assessment • Emergency Preparedness and Response • General Environmental and Socio-Economic Awareness • Environmental and Social Sensitivity of the Project Influence Area • Community and Occupational Health and 	<ol style="list-style-type: none"> 1. Initiate the training prior to commencement of construction works and thereafter throughout Project implementation. 2. During first six months of the Project Effectiveness. 	PD, E&S Team in the PIU	<ol style="list-style-type: none"> 1. Once the Contractor & Supervision Consultant Teams are on board Start July, 2025 & throughout Project implementation. 2. July. 2025 & throughout Project implementation.

	<p>Safety Aspects and Key Risks Including Covid-19 Response.</p> <ul style="list-style-type: none"> • Risks Hazards Assessments • Kobo Toolbox • Implementation Requirements of OHS Management Plans • World Bank ESF Requirements • Borrower's National/Provincial Regulatory Requirements • Implementation of ESIA and ESMP • Grievance Mechanism • Environmental and Social Monitoring and Supervision • Gender Sensitivity • Mitigation Against SEA and SH • Case Management of SEA/SH Complaints for GRM Staff • Labor Management • Waste Management and Disposal. • Management of Used Transformer Oil and Hazardous Substances • Security Risk Management <p>2. Prepare training material on E&S aspects relevant to KWSC activities including the Project activities.</p>			
CS2	Develop and endorse KWSC's policy and procedures for E&S management including risks and impacts identification, management plans, monitoring, stakeholder engagement including GRM, and training programs based on the capacity assessment.	To be completed within one year of project effectiveness	KWSC	Not started yet

5. Progress of the Sub projects Under KWSSIP II

5.1. K-IV Augmentation Project

The K-IV Augmentation Project, which is a key sub-component under KWSSIP-2, aims to bring 260 MGD of treated water into Karachi’s existing distribution network.

The progress of KIV Augmentation Project by the PIU KWSSIP during the reporting period is as follows:

5.2. Current Status (Up to June 2025)

Sr. No.	Activity	Dated
	Contract signed for Common Corridor with KBRT-2.7 km from Nipa to Hassan Square Transmission Main and Appurtenance for 96” & 72” Dia. Pipeline	03.06.2025
1	Signing of Agreement with SEURECA – NESPAK JV	12.05.2025
2	Field Visits and Stakeholder Consultation with relevant departments of the Consultant Team	28.04.2025 to 02.05.2025
3	Submission of Draft Inception Report	26.05.2025
4	Submission of Construction Drawings 2.7km Common Corridor by the Consultant	26.05.2025
5	Submission of Draft Updated Bidding Documents & Draft Hydraulic Design Review Report for Package: “Water Transmission Main from Reservoir 2 to Sir Syed University of Engineering & Technology (SSU) near NIPA” by the Consultant	17.06.2025
7	PIU’s E&S Comments on Draft Inception Report	18.06.2025
8	PIU’s Technical Team Comments on Draft Inception Report	26.06.2025

5.3. Work Plan of the Consultant for the Next Quarter (JUL-2025 TO SEP-2025)

Sr. No.	Activity	Start Date	Finish Date
1	Design Review, Development of Construction Drawings and Bidding Documents for Lot-1 (R1 to Y-Junction), Lot-2b (COD to Gul Bai) and Lot-3 (R3 to Banaras)	01.06.2025	31.07.2025
	Lot-2a (R2 to COD)		
2	Issuance of Bidding Document to Contractors	01.07.2025	01.07.2025
3	Response Time/Bid Opening	02.07.2025	15.08.2025
4	Evaluation of Technical Part	16.08.2025	30.08.2025
5	NO from World Bank	31.08.2025	19.09.2025
6	Notification of Results of the Technical Evaluation and Opening of Financial Proposals	20.09.2025	04.10.2025

5.4. Milestones Completed

- Mobilization of consultants
- Site reconnaissance of all routes

- Draft Inception Report
- Draft Updated Bidding Documents & Draft Hydraulic Design Review Report for Package: “Water Transmission Main from Reservoir 2 to Sir Syed University of Engineering & Technology (SSU) near NIPA Common Corridor drawing revisions initiated.

6. Environmental & Social Compliance of the Associated Facilities

6.1. K-IV Main Project: Environmental and Social Compliance Update

The K-IV Augmentation Project, which is a key sub-component under KWSSIP-2, aims to bring 260 MGD of treated water into Karachi’s existing distribution network. The K-IV Main Project, being implemented by WAPDA, has been declared an Associated Facility to KWSSIP-2, necessitating full compliance with the World Bank’s Environmental and Social Framework (ESF) as part of the Environmental and Social Commitment Plan (ESCP). The implementation and monitoring of E&S compliance under the K-IV Main Project will be overseen by the K-IV Coordination and E&S Implementation Committee, chaired by the Chairman, P&D Board, with the CEO KWSC as the Member/Secretary. The Committee was notified on 7th January, 2025.

6.1.1. Corrective Action Plan (CAP) for Resettlement and Land Acquisition

The K-IV Main Project involves significant resettlement and livelihood impacts. To ensure compliance with the World Bank’s Environmental and Social Standard 5 (ESS 5), the PIU KWSSIP engaged a consulting firm (NESPAK JV EMC) to prepare a Corrective Action Plan (CAP) addressing resettlement and land acquisition gaps in both the old and new alignments:

Old Alignment: Open gravity canal with 1,000 ft RoW.

New Alignment: Pressurized pipeline system with 300 ft RoW, affecting 116 households.

Progress this Quarter

The PC-1 for the CAP and Environmental & Social (E&S) Review Gap was submitted by KW&SC to the Planning and Development Department on May 16, 2025. The Pre-PDWP meeting was held on May 23, 2025, followed by the PDWP meeting on June 10, 2025, during which the PC-1 was formally approved. First Addendum was cleared by the bank on June 25, 2025 . Disclosed on the project website on 26 June 2025.

Subsequently, the Terms of Reference (TORs) for both the CAP Implementation Firm and the Independent Monitoring Agency were shared with the World Bank and KW&SC on June 30, 2025.

6.2. ESIA and LARP for KIV Power Component

The K-IV Power Component comprises four contract packages:

1. Transmission Line (27 km)
2. Grid Station
3. 11 kV Network (3 km)
4. Residential Colony

The revised Environmental and Social Impact Assessment (ESIA) was submitted to the Sindh Environmental Protection Agency (SEPA) on March 13, 2025. A formal presentation of the ESIA was conducted at SEPA’s Head Office on April 18, 2025. The public hearing is scheduled at the project site on July 18, 2025. Following the hearing and incorporation of public feedback, SEPA will initiate the process for issuance of the No Objection Certificate (NOC) for the execution of the K-IV Power Component.

In coordination with the General Manager (Technical) of the Sindh Transmission and Dispatch Company (STDC), it was confirmed that 2% of each contractor’s agreement value has been allocated for resettlement-related activities. Should resettlement be required during implementation, the respective contractor will be responsible for the preparation and execution of the Resettlement Plan (RP) for their assigned packages.

The PIU E&S team has informed STDC about the requirement of a Livelihood and Resettlement Plan (LARP) and is planning a joint site visit in the upcoming quarter, prior to contractor mobilization.

6.3. Critical Habitat Assessment – Keenjhar Lake Conservation Action Plan

In response to increased water abstraction from Keenjhar Lake—which will rise to 910 MGD with the addition of 260 MGD from the K-IV Main Project—a Critical Habitat Assessment (CHA) is being undertaken as part of the broader Keenjhar Lake Conservation Action Plan (KLCAP). The study builds upon the Ecological Assessment for Downstream Indus Impacts and the K-IV Environmental Impact Assessment (EIA), and aligns with the World Bank’s ESS-6 on biodiversity conservation.

The CHA aims to:

- Identification and demarcation of the critical habitat area(s) based on the presence of endangered or threatened species or ecosystems.
- Assessment of the species' and habitat's present state as a baseline. It primarily includes establishing a comprehensive biodiversity baseline through secondary data supplemented by field surveys including avifauna (bird) surveys, herpetology (amphibians & reptiles) surveys, mammal surveys, fish surveys and botanical surveys to ground truth secondary data, which predominantly includes rapid assessment of habitat quality and conservation status of species.
- Identification and investigation of the factors contributing to the decline in migratory bird populations through a detailed bird survey.
- Different Zones will be identified for ecological management purpose to define and assess as discrete management units.
- Assessment of potential impacts of proposed activities on critical habitat.
- Develop specific recommendations for avoidance, minimization, restoration, or offsetting to ensure no net loss or net gain of biodiversity as applicable under ESS6.
- Engage with key stakeholders, including local communities, conservation authorities, and biodiversity experts, to incorporate traditional knowledge and expert inputs into the assessment and mitigation planning
- Recommendations for the protection or mitigation of adverse effects on the critical habitat.

Progress of Key Activities during the Reporting Period

Sr. No.	Activity	Dated/ Timelines
1	Signing of Agreement with the Design review & supervision firm of KIV Augmentation i.e. NESPAK	12.05.2025
3	Field Visits and Data Collection by the Consultant's Team	13.05.2025 to 23.05.2025
4	Stakeholder Consultations (Departments/ Community/ NGOs) by the Consultant's Team	13.05.2025 to 23.05.2025
5	Progress Review Meeting with the Consultant's Team	16.05.2025
6	Submission of Draft Inception Report by the Consultant	26.05.2025
7	PIU's Comments on Draft Inception Report	03.06.2025
8	Submission of Revised Draft Inception Report by the Consultant	11.06.2025
9	Submitted Draft Inception Report to the Bank	15.06.2025
10	Received Comments from the Bank	24.06.2025
11.	Final Submission of Inception Report to the Bank	First Week of July
12	Final Submission of CHA Report by the Consultant	Third Week of July

6.4. Keenjhar Lake Conservation Action Plan (KLCAP)

The increased water demand for K-IV Phase 1 poses a risk to the ecological balance of Keenjhar Lake. An Ecological Assessment for Downstream Indus Impacts and Biodiversity Action Plan Study was conducted (which is available on KWSSIP website) to understand the ecological impacts of abstracting 260 MGD water as a result of KIV Main Phase 1 and KIV Augmentation project. The study proposes a Keenjhar Lake Conservation Action Plan to mitigate the risks to ecology of the lake.

This Keenjhar Lake Conservation Action Plan (KLCAP) presents the management framework and action plan for the project scenarios and other projects related to the abstraction of water from Keenjhar Lake via Korti barrage. This Keenjhar Lake Conservation Action Plan (KLCAP) will serve as a principal execution module that would not only guide in mitigating the adverse ecological impacts during K-IV project implementation, but also help to ensure that the area under study (AoI) is restored from its present highly degraded state. Continuous monitoring and evaluation of interventions proposed under the KLCAP will be exercised to ensure that mitigation measures are effectively implemented to maintain the ecological integrity.

6.5. Keenjhar Lake Conservation Action Plan (KLCAP) Committee

As per the KLCAP, a Keenjhar Lake Conservation Action Plan (KLCAP) committee has been constituted on 18th June, 2025. First Meeting of the Committee is expected to be scheduled in last week of July, 2025.

Composition of the Committee: the committee consists of the following members

1.	Chief Engineer, Irrigation Department, Kotri Barrage, Government of Sindh	Chairman
2.	Director Investment, KWSSIP, KW&SC, Government of Sindh	Member
3.	Deputy Conservator (Wild Life) Thatta Region, Forest & Wildlife Department, Government of Sindh	Member
4.	Divisional Forest Officer – Thatta Circle, Forest & Wildlife Department, Government of Sindh	Member
5.	Manager Conservation Sindi, WWF	Member
6.	Natural Resource Management Coordinator, IUCN	Member
7.	Chairman – Department of Zoology, University of Karachi	Member
8.	Chairman – Department of Botany, University of Karachi	Member
9.	Environmental Specialist – KWSSIP	Member/ Secretary

Functions of the Committee

The Committee will oversee the implementation and monitoring of the Keenjhar Lake Conservation Action Plan (KLCAP) as part of the Environmental and Social Commitment Plan (ESCP) under KWSSIP-II. It will ensure the effective execution of the KLCAP Monitoring Framework, coordinate with key stakeholders, and support collaborative conservation efforts. The Committee will review KLCAP targets annually based on scientific data and stakeholder feedback, recommending necessary adjustments. Regular monthly meetings will be held to monitor progress and address emerging challenges.

7. Gender Mainstreaming

During the reporting period, the Gender Specialist engaged with both KWSC women staff and community women to address their needs and ensure gender-responsive project implementation. A review of the Gender Action Plan (GAP) was undertaken, drawing on:

- Lessons learned from SOP-1 implementation,
- Challenges encountered during GAP execution, and
- Feedback from women staff and community members in areas where project activities are ongoing.

Based on these findings, an updated Gender Action Plan was developed. This revised plan retains several ongoing activities, including:

- Capacity building initiatives for women staff,
- Awareness-raising programs, and
- Inclusion of female staff in Grade 17 and above positions.

It also introduces new initiatives such as:

- Women's Empowerment Internship Program,
- Referral mechanism for GBV survivors,
- Code of Conduct and SEA/SH (Sexual Exploitation, Abuse, and Sexual Harassment) training for staff, site personnel, and contractors.

The updated GAP has been submitted to the CEO for approval. In parallel, the Gender Specialist contributed to revising the Project Operational Manual, integrating the methodology for the Gender Action Plan's effective implementation to ensure sustained gender mainstreaming across all project activities.