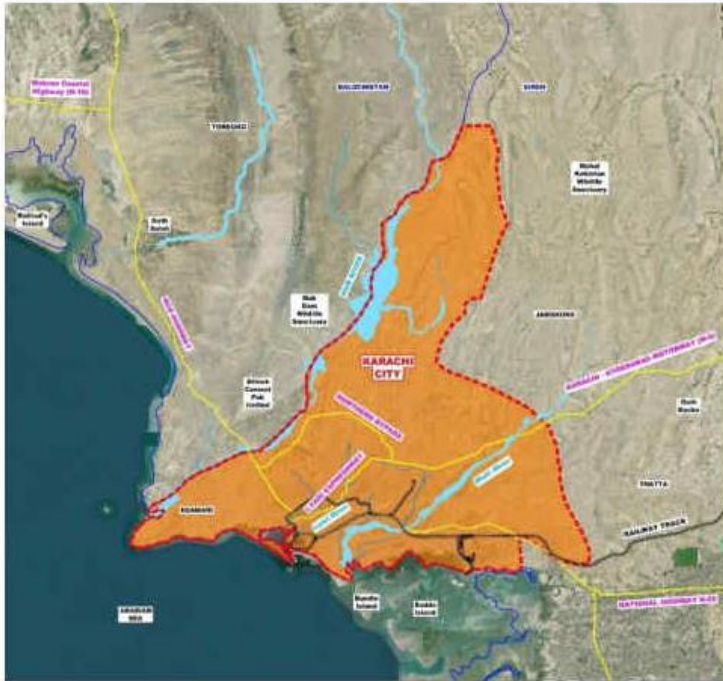




**PROJECT IMPLEMENTATION UNIT (PIU), KWSSIP
KARACHI WATER & SEWERAGE CORPORATION
(KW&SC)**



**ABBREVIATED RESETTLEMENT
PLAN (ARP)**

**Assignment A: Rehabilitating Water Supply
and/or Sewerage System in Three Low-Income
Areas**

May 2026



**PROJECT IMPLEMENTATION UNIT
KARACHI WATER AND SEWERAGE SERVICES IMPROVEMENT
PROJECT**



ABBREVIATED RESETTLEMENT ACTION PLAN (ARP)
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LIST OF ABBREVIATIONS

ABR	Anaerobic Baffled Reactor
AED	Anti-Encroachment Drive
AH	Affected Households
AIIB	Asian Infrastructure Investment Bank
ARP	Abbreviated Resettlement Action Plan
BOD	Biochemical Oxygen Demand
CBOS	Community-Based Organizations
CC	Construction Contractor
CCR	Community Complaints Register
COD	Chemical Oxygen Demand
DMAs	District Metered Areas
DMC	District Municipal Corporation
DMD	Deputy Managing Director
EM	Entitlement Matrix
EMA	External Monitoring Agency
ESMP	Environmental and Social Management Plan
GBV	Gender Based Violence
GIS	Geographic Information System
GoS	Government of Sindh
GPCD	Gallons per Capita per Day
GPD	Gallons Per Day
GRC	Grievance Redress Committee
GRM	Grievance Redress Mechanism
HH	Household
IA	Implementing Agency
IM	Internal Monitoring
IMA	Independent Monitoring Agency
IMR	Internal Monitoring Reporting
KAC	Katchi Abadi Cell
KDA	Karachi Development Authority
KEC	Karachi Electric Company
KMC	Karachi Metropolitan Corporation
KW&SC	Karachi Water and Sewerage Corporation
KWSSIP	Karachi Water and Sewerage Services Improvement Project
LAA	Land Acquisition Act
MD	Managing Director
MGD	Million Gallons Per Day
NESPAK	National Engineering Services Pakistan
NGO	Non-Governmental Organization
NOC	No Objection Certificate
NRW	Non-Revenue Water



O&M	Operation and Maintenance
OP	Operational Policy
OPL	Official Poverty Line
PAPCs	Project Affected Persons Committees
PAPs	Project Affected Persons
PBS	Pakistan Bureau Statistics
PD	Project Director
PIU	Project Implementation Unit
PKR	Pakistan Rupees
PTCL	Pakistan Telecommunication Limited
RCC	Reinforced Cement Concrete
RPF	Resettlement Policy Framework
SC	Supervision Consultant
SDS	Social Development Specialist
SE	Superintendent Engineer
SKAA	Sindh Katchi Abadi Authority
SMF	Social Management Framework
SOPs	Series of Projects
STP	Sewage Treatment Plant
TP	Treatment Plant
TSS	Total Suspended Solids
UC	Union Council
WB	World Bank
XEN	Executive Engineer



UNITS AND SYMBOLS

sq.ft	square feet
"	inch
ft	feet
gpd	gallons per day
gpcd	gallons per capita per day
cusecs	cubic feet per second



GLOSSARY

Compensation	Payment in cash or in kind of the replacement cost of the acquired assets or loss of livelihood.
Cut-off-date	The date after which people will not be considered eligible for compensation i.e., they are not included in the list of PAPs as defined by the census. The cut-off date is the start date of census/ survey, for the impact assessment, for all land and non-land related assets.
Economic Displacement	A loss of productive assets or usage rights or livelihood capacities caused by the project.
Eligibility	The criteria for qualification to receive benefits under a resettlement program.
Encroachers/Squatters	People who do not have legal title and have trespassed onto private/community land to which they are not authorized. If such people arrived before the entitlements cut-off date, they are eligible for compensation for any structures, crops or land improvements that they will lose.
Entitlement	Range of measures comprising compensation, income restoration, transfer assistance, income substitution, and relocation, which are due to affected persons, depending on the nature of their losses, to restore their economic and social base.
Involuntary Resettlement	Land and/or asset loss which results in a reduction of livelihood level. These losses have to be compensated so that no person is worse off than he/she was before the loss of land and/or assets.
Land Acquisition	The process whereby a person is compelled by a government agency to alienate all or part of the land a person owns or possesses to the ownership and possession of the government agency for public purpose in return for compensation.
Livelihood Restoration	Specific activities intended at supporting displaced people's efforts to restore their livelihoods to pre-project levels. Livelihood restoration is distinguished from compensation. Livelihood restoration measures typically include a combination of cash or other allowances and support activities such as training, agricultural assistance or business enhancement. Livelihood restoration is often referred to as economic rehabilitation.
Market Value	It is broadly defined as the price which a willing vendor would reasonably expect to obtain from a willing purchaser. It is the value to the seller of the property in its actual condition at the time of expropriation with all its existing advantages and with all its possibilities excluding



Patwari	<p>any advantage due to the carrying out of a scheme for which the property is compulsorily acquired.</p> <p>An official of the District Administration from District Revenue Office deputed at village level that is responsible for all land and revenue related matters.</p>
Project Affected Person (PAP)	<p>Any person adversely affected by any project related change or changes in use of land, water or other natural resources, or the person/s who loses his/her/their asset or property movable or fixed, in full or in part including land, with or without displacement, after the commencement and during execution of a project or may face loss of livelihood due to restriction in access to their business points.</p>
Refused	<p>PAPs who refused to share any personal and financial information.</p>
Rehabilitation	<p>Compensatory measures provided under the WB Policy Framework on Involuntary Resettlement other than payment of the replacement cost of acquired assets aimed at re-establishing incomes, livelihoods, and social systems.</p>
Relocation	<p>The physical resettlement of PAPs from his/ her pre-project place of residence.</p>
Resettlement Plan	<p>A resettlement plan is a planning document that describes what will be done to address the direct social and economic impacts associated with involuntary resettlement.</p>
Resettlement Allowance	<p>Cash paid to cover resettlement related expenses other than losses of immovable assets. An allowance is distinguished from compensation, which reimburses the loss of an immovable asset.</p>
Resettlement Entitlements	<p>Resettlement entitlements with respect to a particular eligibility category are the sum total of compensation and other forms of assistance provided to affected persons in the respective eligibility category.</p>
Severe Impacts	<p>PAPs losing 10% or more of their productive assets (income generating) are considered having severe impacts</p>
Vulnerable Household	<p>Individuals who might suffer disproportionately or face the risk of being marginalized from the effects of resettlement including: (i) female-headed households with dependents; (ii) disabled household heads; (iii) poor households that fall on or below the poverty line; (iv) elderly households with no means of support</p>



EXECUTIVE SUMMARY

1. Project Description

The Government of Sindh (GoS), through the Karachi Water and Sewerage Corporation (KW&SC), has planned to implement the rehabilitation of water supply and sewerage systems in three low-income communities¹ of Karachi City (Rehabilitating Water Supply and Sewerage Systems in Low-Income Areas (hereinafter referred to as “subproject”). Out of the three, two communities were selected keeping in view the budgetary provisions that include Essa Nagri / Welfare Colony and Soba Nagar / Gohrabad. The third was Tekri Village, that has been dropped. The Proposed Project is being implemented under the Karachi Water and Sewerage Services Improvement Project (KWSSIP-1), which is financed by the World Bank (WB), Asian Infrastructure and Investment Bank (AIIB), and the GoS.

To address the potential livelihood impacts of the subproject, this Abbreviated Resettlement Action Plan (ARP) has been prepared, in accordance with the Social Management Framework (SMF) which also includes a Resettlement Policy Framework (RPF) prepared in 2019² with the aim to assess potential adverse social impacts of the envisaged subprojects to be financed under Phase-1³ of KWSSIP. This also identified ways to avoid, minimize or mitigate them through the establishment of clear procedures and methodologies for planning, screening, review, approval and implementation of subprojects. SMF policy principles include transparency, inclusion, participation, social accountability and social safeguards that will be mainstreamed by adopting appropriate processes for social impact assessment and mitigation.

Karachi city dominates the economic landscape of Sindh, containing its major industrial and service economy and substantial labor force. Nearly half of its residents live in informal settlements (Katchi Abadis). Only half of the city’s water demands are being met, public transport has deteriorated and pollution is severe. Karachi’s water supply services are falling far short of the expanding city’s needs. Nearly three million residents lack access to piped water and even those formally connected experience inadequate, irregular and inequitable service. The city’s current water demand is estimated at 1,210 million gallons per day (MGD) and the current supply shortfall is estimated as 550 MGD. More than 6 million residents lack access to public sanitation services in the city. Those lacking access typically discharge sewage through the storm water system, natural drains or informal sewers directly into rivers and ultimately the sea.

To address the above issues, KWSC has conceived KWSSIP in the form of a series of projects (SOPs), which form a long-term program to address the serious water and sewerage service gaps in the rapidly growing city of Karachi. The following SOPs have been planned under KWSSIP:

SOP-1: Focuses on reforms, maintenance and rehabilitation

¹ 1- Essa Nagri/Welfare Colony, 2- Soba Nagar/Gphrabad, 3- Tekri Village

² <https://www.kwssip.gos.pk/wp-content/uploads/2021/11/Social-Management-Framework.pdf>

³Total 4 Series of Projects, out of which KWSSIP 1 is nearing completion and KWSSIP 2 is in the initial phase.



SOP-2: To scale-up investments

SOP-3: Will focus on increasing water production and financing investments to ensure the additional wastewater created can be treated

SOP-4: Will focus on improving services in informal settlements based on experience gained under the previous projects.

Currently, SOP-1 (or KWSSIP-1) is under implementation, whereas the SOP-2 is under preparation. The rehabilitation works under SOP-1 are organized in three lots given in **Table ES-1** below.

Table ES- 1: Rehabilitation Works under SOP-1

Sr. No.	Description	Activity
1	Assignment –A	Rehabilitation of water supply and sewerage in three low-income communities (the Proposed Project)
2	Assignment –B	Priority Water Network Rehabilitation including operation and maintenance (O&M) Equipment, Meters & district metered areas (DMAs) to Reduce non-revenue water (NRW)
3	Assignment –C	Priority Sewer Network Rehabilitation

The selected low-income communities or Katchi Abadis under Assignment A of SOP-1 include Essa Nagri/ Welfare Colony located in District East and Sobanagar/ Goharabad located in District Central. Initially, a total of three low-income communities were identified that included Tekri Village as well, however keeping in view the budget constraints, only two aforementioned communities were selected for the provision of water and sanitation services. This ARP covers social impacts of the two low-income communities. This ARP also incorporates the impacts of additional works included in the original project scope

2. Cut-off Date and Identification of Social Impacts

The census of PAPs was started on April 23, 2022, which was considered the cut-off date for compensation. However, the construction period was delayed, therefore, the PAPs were revalidated in August 2024, therefore August 23, 2024 is considered as the new cut-off date. For the additional works i.e. Street No. 04 works in Essa Nagri / Welfare Colony, PAPs survey was conducted on April 06, 2026, therefore this is considered as the cut-off date for Street No. 04.

For the four additional streets in Soba Nagar, consultations and surveys commenced on 09 December 2025, while for the Sobanagar water tank to water main connection pipeline, surveys commenced on 24 December 2025. No PAPs were identified during the surveys of these streets or along the connection pipeline alignment; therefore, 09 December 2025 shall be considered the cut-off date for the four additional streets, and 24 December 2025 shall be considered the cut-off date for the connection pipeline.



According to the latest census, the subproject will not have any permanent impacts on land nor will it cause any physical and economic displacement. However, it will affect 203⁴ shopkeepers and employees temporarily due to the construction activities because of restricted access to their shops/business/ livelihoods. The affected shopkeepers represent a range of livelihood categories typical of dense urban settlements. In accordance with the Resettlement Policy Framework (RPF) of Social Management Framework (SMF) KWSSIP compensation for temporary loss of business and livelihood is to be assessed on the basis of business turnover or tax records and, where such records are unavailable or tax-based incomes are unknown, on the officially designated minimum wage rate. Since the affected shopkeepers did not provide verifiable business turnover or tax records during the socio-economic survey and impact assessment, compensation has therefore been determined on the basis of the officially notified minimum wage rate issued by the Government of Sindh.

Land requirement is only for the construction of overhead/ underground tanks with associated pumping rooms and for them land has already been acquired from Karachi Municipal Corporation (KMC). The land selected for the subproject is government-owned and hence no land acquisition would be needed.

As per census data, a total of 203 PAPs, with an associated household population of 1,131 with an average household size of 5.57, will face temporary loss of business/ livelihood due to restricted access during the construction phase of the project. Out of these, 193 PAPs are the shopkeepers and 10 PAPs are working as employees in the same shops.

PAPs who are persons with disabilities, female-headed business owners, or those with monthly income below the minimum wage notified by the Government of Sindh are considered vulnerable. A total of 17 vulnerable PAPs have been identified, including 14 with monthly household income below the minimum wage threshold/rate, one person with a disability, and two female-headed business owners.

3. Socio-Economic Assessment

The census was conducted covering 100% of PAPs and socioeconomic survey was carried out covering 125 households/respondents. A Census and socioeconomic survey of the PAPs was carried out in April 2022 and PAPs revalidation was carried out in August 2024 and in April 2026 for the additional PAPs identified in Essa Nagri/ Welfare Colony (Street No. 4). The survey collected information on demographic characteristics, income sources, occupations, household composition, and other socioeconomic indicators of the affected population.

A. Essa Nagri / Welfare Colony

Essa Nagri/ Welfare Colony is located in District East, Karachi on Sir Shah Muhammad Suleman Road. Lyari Expressway is on the Northern Side and University Road is on the eastern side of this area. Both Essa Nagri / Welfare Colony are densely populated areas and

⁴ Total affected HHs are 203



are considered among the Katchi Abadis to be covered under SOP-1. The total population of Essa Nagri/ Welfare Colony is about 28,792 persons⁵.

The majority of respondents from this settlement are of mature age i.e., 21-30, and 31–40 years. Unfortunately, a high percentage of the respondents are illiterate which shows lack of interest in getting education, may be due to poor socioeconomic conditions. Main source of income in Essa Nagri/Welfare Colony is business / shops and some work in other occupations like services, labor and in private jobs in the form of mechanic, painter, welder, and masonry worker.

Majority of the respondents consulted during consultation meetings were illiterate which may be due to poor economic conditions. Basic education and health facilities are available. The community has electricity and natural gas facilities. Small shops/ businesses/ hotels/ restaurants have been established in the Abadi by the locals. General stores are available in the community. The residents of Essa Nagri are Christians while that of Welfare Colony are Muslims. The major castes of community are Khokhar, Gill, Rana / Rajpoot and Yousafzai in both the communities. A CBO namely J. Town Welfare Trust is working in the Essa Nagri for the welfare of community.

B. Sobanagar/ Goharabad

Sobanagar/ Goharabad is located in District Central, Karachi in the north of Gulshan-e-Shamim adjacent to Lyari River near Shahrah-e-Jehangir Road Karachi. Both these areas are parallel to Lyari River and Lyari Expressway. The population of Sobanagar/ Goharabad is about 9,387 persons⁶. The people of the Sobanagar / Goharabad are running small shops/ businesses/ hotels/ restaurants for earning their livelihoods. Majority of the population in Sobanagar is Christian and in Goharabad is Muslim. The major castes are Malik, Abbasi and Sheikh.

The survey results of Sobanagar/ Goharabad reveal that majority of the respondents are aged between 21-30 years which indicates that they were mature enough to participate in the survey. Furthermore, the education level of most of the respondents is primary to middle which indicates that the trend of getting education is quite low which may be due to lack of education facilities and financial constraints. Due to low education level, the livelihood sources of the respondents have narrowed down to the labor works and small businesses including shops/ kiosks.

Basic education and health facilities are available. Electricity and gas facilities are also present in the area. The residents of the area use small level commercial/ grocery shops established in the community along the roads. A CBO namely Trust International (Human Rights Organization) is working in Sobanagar.

4. Public Consultation and Participation

⁵ Source: Sindh Katchi Abadi Authority

⁶ Source: Sindh Katchi Abadi Authority



The consultation was carried out with the stakeholders during the months of October, November and December 2021 and April 2022 for different studies involved in different phases of the project such as Feasibility Study, Environmental and Social Screening, and AED Screening Study. However, for preparation of ARP, detailed consultation was held during the month of April 2022 and August 2024. Additional consultations were conducted during July, August, November and December in year 2025, and in February and April 2026. During these meetings, the concerns and views of the communities about the project and its impacts were also obtained. Stakeholder consultations identified key concerns related to unreliable water supply, sewerage issues, temporary construction-related access constraints, and potential impacts on local businesses and livelihoods. Community members also emphasized the importance of timely compensation, proper information sharing, and effective complaint handling mechanisms. Mitigation measures including phased construction, dust control, waste management and continuous coordination with affected communities were discussed during the consultations. Eligible PAPs will be compensated in accordance with the provisions of this document, while grievances will be addressed through the established GRM. Overall, stakeholders expressed strong support due to the expected long-term social, environmental, and public health benefits.

5. Grievance Redress Mechanism

The Grievance Redress Mechanism (GRM), outlines the policy and procedure for documenting, addressing, responding and employing methods to resolve project grievances (and complaints) that may be raised by the PAPs or community members arising from environmental and social performance, the engagement process, and unanticipated environmental or social impacts resulting from project activities that are performed and/or undertaken by PIU. The project has established a multi-tier GRM with designated staff responsibilities at each level, including community-level and PIU-level Grievance Redress Committees (GRCs). The GRC will acknowledge the complaints within one day of receipt and will review available records and the fact finding will be completed within 10 days from receipt of complaints. The GRC in its formal meeting to be conducted within 20 days from receipt of complaint will hear and clarify with the complainant (if required so) about the issue and shall conclude and communicate its recommendations for further implementation.

6. Legal and Policy Framework

The livelihood restoration measures are guided by the relevant national legislation and World Bank safeguard requirements. Although the Land Acquisition Act 1894 governs land acquisition for public purposes in Pakistan, it is not directly applicable as no private land acquisition or physical and economic displacement is involved. However, since the Act does not provide provisions for compensation for temporary livelihood disturbances, therefore, this ARP has also taken into account the Sindh Resettlement and Rehabilitation Policy 2022 and the requirements of the World Bank Operational Policy 4.12 on Involuntary Resettlement. In line with these frameworks, the ARP provides compensation for temporary business and livelihood disruptions caused by construction activities, ensures support to vulnerable PAPs, and establishes consultation and grievance mechanisms to safeguard the interests of PAPs.

7. Eligibility and Entitlement Matrix



The entitlement matrix, which defines the compensation criteria for various types of PAPs, is given in **Table ES-3**. The matrix has been designed on the basis of SMF/RPF prepared for KWSSIP.

Table ES- 2: Entitlement Matrix

Type of Loss	Application	Categories of PAPs	Compensation Entitlement
Income Restoration & Rehabilitation Assistance for the temporary Loss of Business and Income/ Livelihood	Temporary loss of business and source of income/ livelihood due to restricted access	Shopkeepers (193 Nos)	Cash compensation equal to lost income during period of business interruption for 3 months based on tax record or, in its absence, comparable rates from registered businesses of the same type with tax records, or computed based on officially designated minimum wage rate.
Employment losses	Employees losing their employment temporarily	Employees (10 Nos)	Cash compensation equal to lost wages at comparable rates as of employment record for a period of 3 months (if temporary) or in the absence of record computed based on the officially designated wage rate.
Assistance to vulnerable	All vulnerable PAPs (17 Nos)	PAPs with disability or women headed HHs or income below the minimum wage rate	Additional assistance will be provided equivalent to three (03) months of the minimum wage rate announced by the Government, over and above their entitled compensation.
Unidentified losses	Unanticipated impacts	All PAPs	Dealt with, as appropriate during project implementation according to the WB Policy and ARP provisions.

8. Resettlement Budget

The total resettlement cost of the Proposed Project has been estimated to be **PKR 33.00 million** as given in **Table ES-4**.



Table ES- 3: Summary of Resettlement Budget Estimates

Sr. No.	Description	Quantity/Number (PAPs)	Unit Rate (PKR)	Duration (Months)	Total Cost (PKR)	PKR (Million)	Remarks
A							
1	Compensation for loss of business	203	40,000	3	24,360,000	24.36	
B	Vulnerability Allowance						
	Vulnerability Allowance	17	40,000	3	2,040,000	2.04	
Sub-total (A+B)					26,400,000	26.40	
C	Monitoring and evaluation						The associated cost will be covered in the overall project cost.
D	Administrative cost @ 10% of the total cost				2,640,000	2.64	
E	Contingencies @ 15% of the total cost				3,960,000	3.96	
Grand Total					33,000,000	33.00	

9. Institutional Arrangements

A PIU-KWSSIP has been established to manage the implementation of KWSSIP, including environmental and social aspects. The PIU, supported by the Environmental and Social (E&S) team, GRCs, Supervision Consultants (SCs), Contractor, and Independent Monitoring Agency (IMA), will be responsible for the implementation and monitoring of this ARP. The E&S team comprises an Environmental Specialist, Social Development Specialist, and Gender Specialist to support stakeholder engagement, grievance redress, consultations, and implementation of social safeguard measures, particularly in underserved Katchi Abadis. The SC will assist in impact assessment, consultations, compensation processing, information dissemination, ARP updating, and monitoring/reporting activities. The Contractor will implement social safeguard measures during construction, while the IMA will independently review ARP implementation progress, assess compliance, identify gaps, and recommend corrective measures where required.

10. Implementation Schedule

A preliminary implementation schedule for ARP activities has been prepared and presented in **Table ES-5**.

Table ES- 4: Tentative Implementation Schedule of ARP

S. No.	Action	Responsibility	Date of Task Completion
1	Approval of ARP	World Bank	21-05-2026
2	Urdu Translation and disclosure of ARP	PIU-KWSSIP	22-05-2026
3	Grievance Redress Mechanism		
3a	Notification of GRC (Site Level)	PIU-KWSSIP	11-05-2026
3b	Notification of PIU-KWSSIP-GRC	PIU-KWSSIP	11-05-2026
3c	Notification of PAPs Disbursement Committee	PIU-KWSSIP	13-05-2026
5	Distribution of Notices to PAPs for Payment of Compensation		
5a	Notices to PAPs to receive compensation	PIU-KWSSIP	01-06-2026
5b	Payment of compensation	PIU-KWSSIP	04-06-2026 to 15-06-2026
5c	Submission of ARP completion report	PIU-KWSSIP	22-06-2026

11. Monitoring and Reporting

The monitoring mechanism for this project will have both internal monitoring (IM) and external monitoring (EM). Internally, the ARP implementation for the subproject will be closely monitored by PIU. For external monitoring, the services of an independent external monitoring agency or individual consultant will be hired. Upon successful completion of compensation process, the PIU will submit to the Bank a consolidated ARP completion report and upon approval, it will be disclosed at the KWSSIP website.



1 PROJECT DESCRIPTION

1.1 Introduction

The Government of Sindh (GoS), through the Karachi Water and Sewerage Corporation (KW&SC), has planned to implement the rehabilitation of water supply and sewerage systems in three low-income communities⁷ of Karachi City (Rehabilitating Water Supply and Sewerage Systems in Low-Income Areas (hereinafter referred to as “subproject”). Out of the three, two communities were selected keeping in view the budgetary provisions that include Essa Nagri / Welfare Colony and Soba Nagar / Gohrabad. The third was Tekri Village, that has been dropped. The Proposed Project is being implemented under the Karachi Water and Sewerage Services Improvement Project (KWSSIP-1), which is financed by the World Bank (WB), Asian Infrastructure and Investment Bank (AIIB), and the GoS.

To address the potential livelihood impacts of the subproject, this Abbreviated Resettlement Action Plan (ARP) has been prepared, in accordance with the Social Management Framework (SMF) which also includes a Resettlement Policy Framework (RPF) prepared in 2019⁸ with the aim to assess potential adverse social impacts of the envisaged subprojects to be financed under Phase-1⁹ of KWSSIP. This also identified ways to avoid, minimize or mitigate them through the establishment of clear procedures and methodologies for planning, screening, review, approval and implementation of subprojects. SMF policy principles include transparency, inclusion, participation, social accountability and social safeguards that will be mainstreamed by adopting appropriate processes for social impact assessment and mitigation.

RPF was included in the SMF for the sub-projects of KWSSIP that may entail involuntary resettlement, issues of compensation, impact on livelihood, or restricted access to natural resources, in accordance with the World Bank safeguard policy on involuntary resettlement (OP 4.12). The RPF defines the legal and policy framework, eligibility criteria and entitlements for project affected persons (PAPs) to ensure fair and timely compensation, relocation and rehabilitation. It also sets out procedures for subproject screening and categorization, social impact assessment, consultation, participation and disclosure, grievance redress, monitoring and reporting, as well as the institutional arrangements for the subproject implementation.

This ARP has been prepared in pursuance to the requirements detailed in the above-described RPF.

1.2 Project Background

Karachi city dominates the economic landscape of Sindh, containing its major industrial and service economy and substantial labor force. Nearly half of its residents live in informal settlements (Katchi Abadis). Only half of the city’s water demands are being met, public

⁷ 1- Essa Nagri/Welfare Colony, 2- Soba Nagar/Gphrabad, 3- Tekri Village

⁸ <https://www.kwssip.gos.pk/wp-content/uploads/2021/11/Social-Management-Framework.pdf>

⁹Total 4 Series of Projects, out of which KWSSIP 1 is nearing completion and KWSSIP 2 is in the initial phase.



transport has deteriorated and pollution is severe. Karachi is the largest and most populous city in Pakistan. The population of Karachi is estimated to be around 20.3 million as per Census 2023¹⁰. The increase in population is putting heavy pressures on the physical, infrastructural, financial and institutional systems of the city.

Karachi's water supply services are falling far short of the expanding city's needs. Nearly three million residents lack access to piped water and even those formally connected experience inadequate, irregular and inequitable service. Typical service quality is "two hours every two days to four hours per day at very low pressure", with rationing widespread especially in Katchi Abadis which face severe shortages of water". Brackish groundwater limits the use of household wells, so inefficient and expensive private water tankers are major source of domestic water supply. The city's current water demand is estimated at 1,210 MGD and the current supply shortfall is estimated as 550 MGD.

More than 6 million residents lack access to public sanitation services. Those lacking access typically discharge sewage through the storm water system, natural drains or informal sewers directly into rivers and ultimately the sea. Pit latrines and septic tanks are used by less than 3 percent of the population. Even those with nominal access to public sewerage do not receive acceptable services. The city's sewage treatment facilities are dilapidated and dysfunctional because of "complex challenges of inadequate and damaged sewer trunk mains, malfunctioning pumping facilities, and a lack of wastewater treatment capacity".

To address the above issues, KWSC has conceived KWSSIP in the form of a series of projects (SOPs), which form a long-term program to address the serious water and sewerage service gaps in the rapidly growing city of Karachi. The following SOPs have been planned under KWSSIP:

SOP-1: Focuses on reforms, maintenance and rehabilitation

SOP-2: To scale-up investments

SOP-3: Will focus on increasing water production and financing investments to ensure the additional wastewater created can be treated

SOP-4: Will focus on improving services in informal settlements based on experience gained under the previous projects

Currently, SOP-1 (or KWSSIP-1) is under implementation, whereas the SOP-2 is under preparation.

SOP -1

The SOP1 of KWSSIP has the following three components:

¹⁰

<https://commissionerkarachi.gos.pk/population#:~:text=Karachi%20is%20the%20largest%20and,million%20as%20per%20Census%202023.>



- Component 1- Operational and enabling environment reforms in KWSC
- Component 2- Infrastructure investments
- Component 3 - Project Management and Studies.

The Component-2 of SOP-1 consists of three (03) investments as listed in **Table 1.1**.

Table 1.1: Component-2 of SOP-1, KWSSIP

Sr. No.	Description	Activity
1	Assignment -A	Rehabilitation of water supply and sewerage in three low-income communities (the Proposed Project)
2	Assignment -B	Priority Water Network Rehabilitation including operation and maintenance (O&M) Equipment, Meters & DMAs to Reduce NRW
3	Assignment -C	Priority Sewer Network Rehabilitation

This ARP has been prepared for the rehabilitation of water supply and sewerage in two low-income communities (Katchi Abadis) namely Essa Nagri/ Welfare Colony, and Sobanagar/ Goharabad.

1.3 Proposed Project Location

The proposed project area is located in the City of Karachi, which is located in the south of Sindh, on the coast of the Arabian Sea. It is the capital city of Sindh province.

Karachi is the largest metropolitan city in Pakistan and is divided into seven (07) districts. These districts are further sub-divided into towns. The district map is shown in **Figure 1.1**. Sobanagar/ Goharabad is located in District Central and Essa Nagri/ Welfare Colony is located in District East as shown in **Figure 1.2**, and **Figure 1.3**.

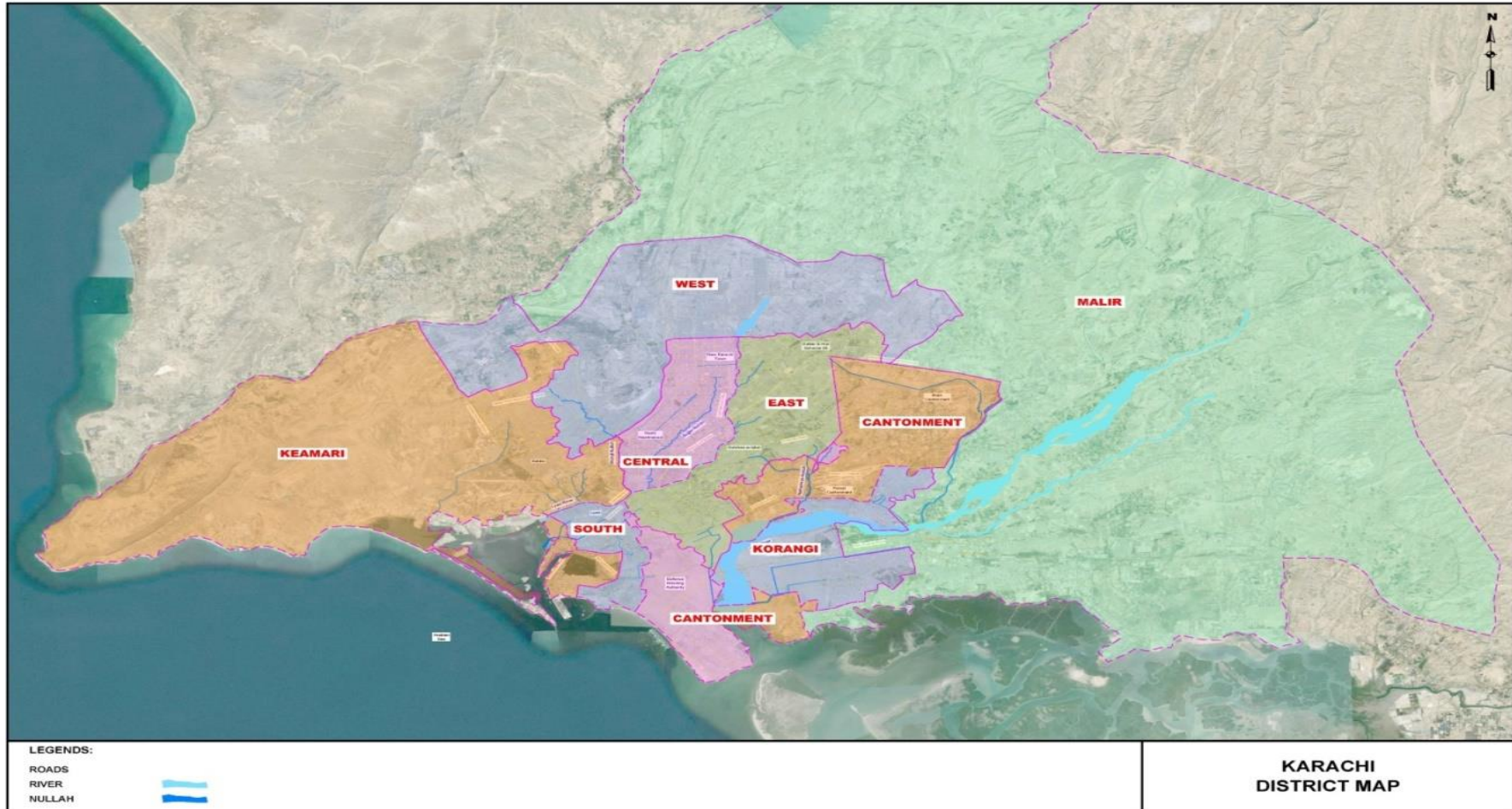


Figure 1.1: District Map of the Karachi City

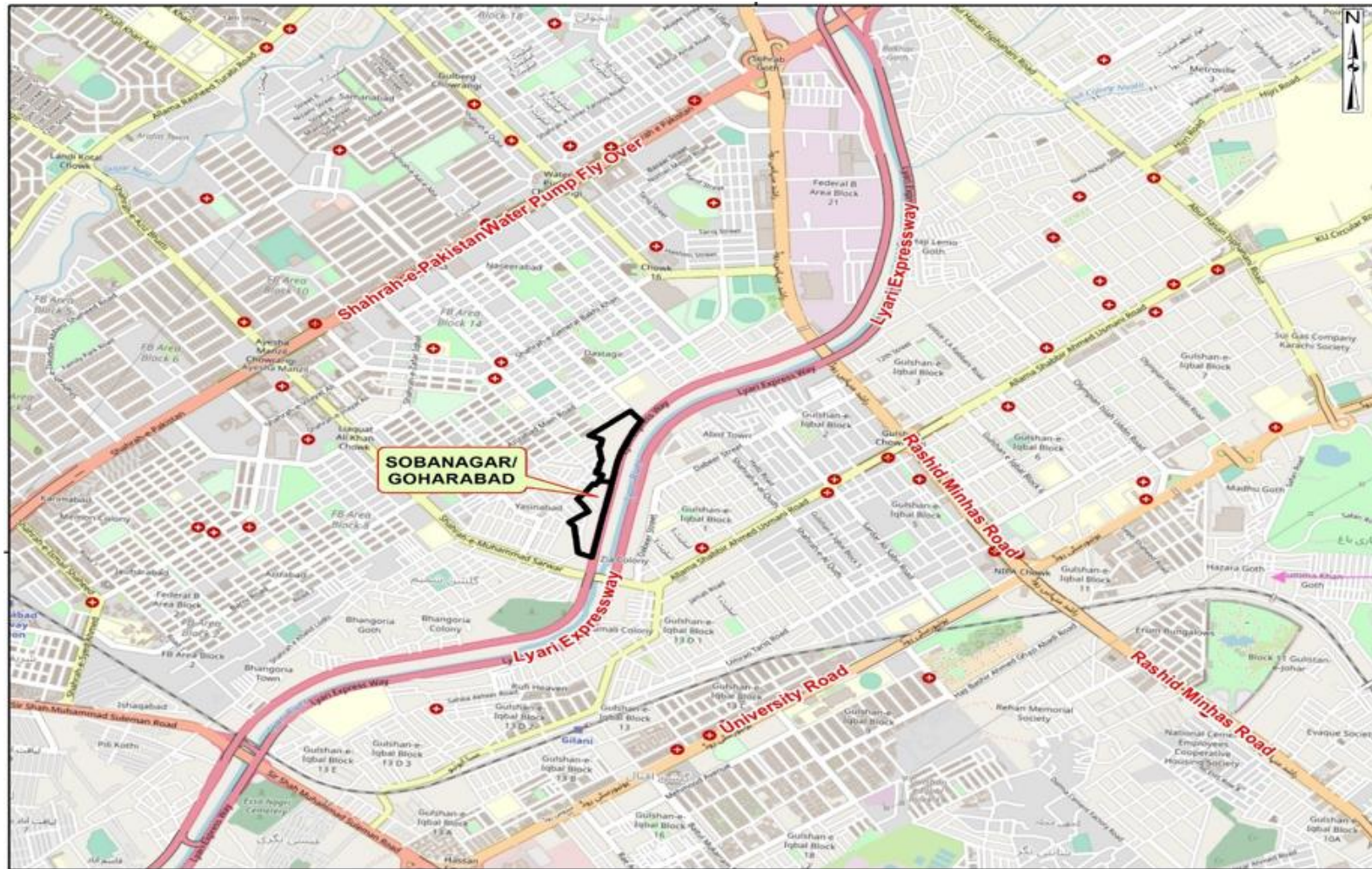


Figure 1.2: Location Map of Sobanagar / Goharabad

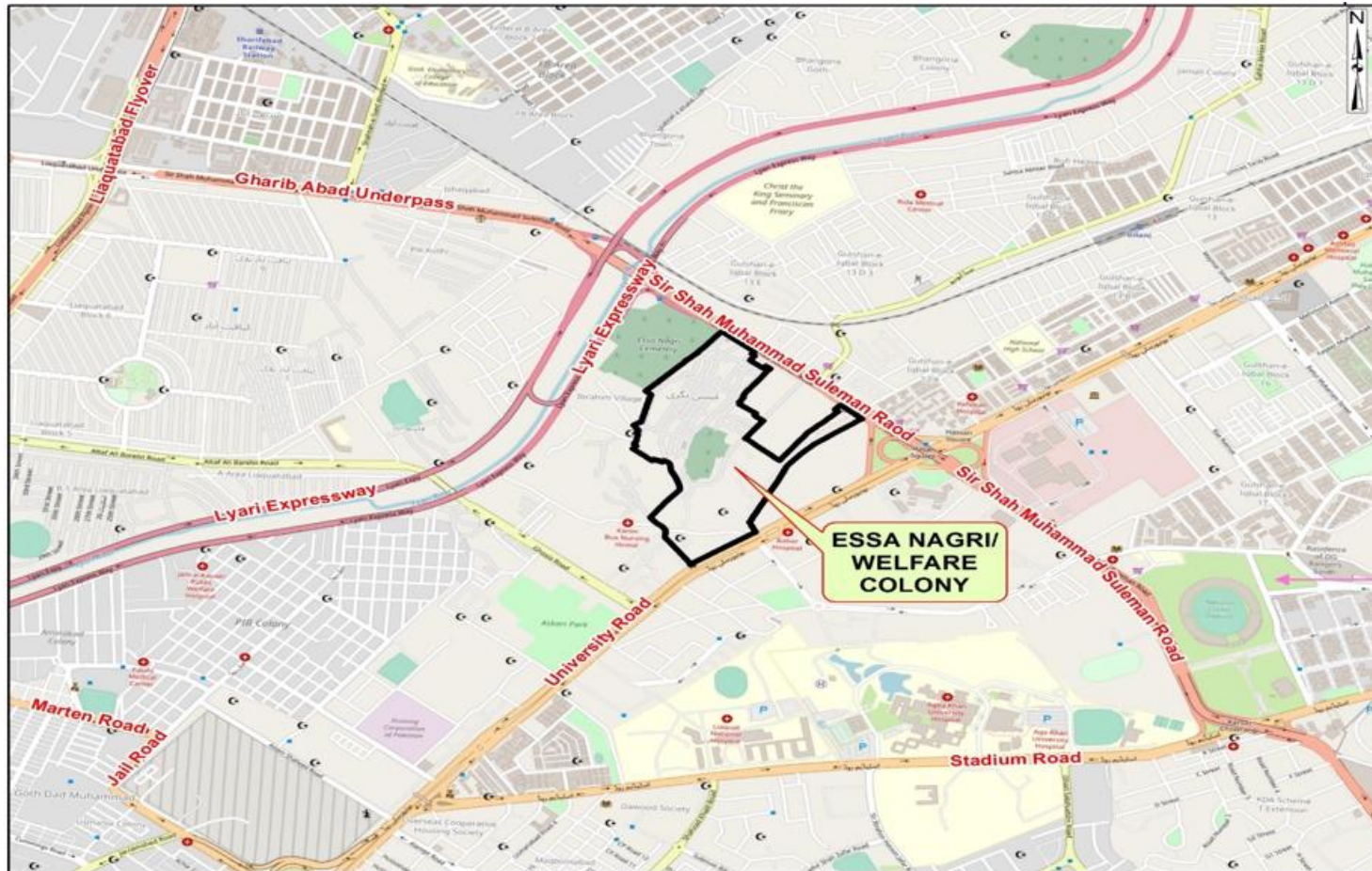


Figure 1.3: Location map of Essa Nagri / Welfare Colony



1.4 Proposed Project Design

A. Essa Nagri and Welfare Colony

a. Water Supply System

The proposed design system for water supply of Essa Nagri Welfare/ Colony is given below:

• Total Area	=	52.13 Acres (21,963 m ²)
• Total Population (2050)	=	29,220 Persons
• Per Capita Demand	=	20gpcd
• Average Water Consumption	=	584,400 GPD
• Capacity of Ground Storage Tank	=	150,000 Gallon
• Capacity of Overhead Storage Tank	=	60,000 Gallon
• Diameter Range	=	3"-6"
• Length	=	29,396 ft (8,960 m)
• Area required for Water Tanks	=	90 ft. x 90 ft. (8,100 sq.ft.) (753 m ²)

b. Sewerage System

The sewerage system of Essa Nagri / Welfare Colony has been designed up till year 2050. Following Design parameters have been used in the design of this area:

• Average Water Consumption	=	584,400 GPD
• Average Wastewater Generated	=	80% of Average Water Demand
• Stormwater Allowance	=	33% of Peak Sewage Flow
• Total Design Flow	=	1.74 cusecs
• Diameter Range	=	9" to 12"
• Length	=	23,509 ft (10,214 m)
• Final Disposal Point	=	Main KWSC Line on Sir Shah Muhammad Suleman Road flowing into Lyari interceptor and Finally towards TP-3

Proposed water supply network of Essa Nagri / Welfare Colony is shown in **Figure 1.4** and proposed layout of sewerage network in **Figure 1.5**.

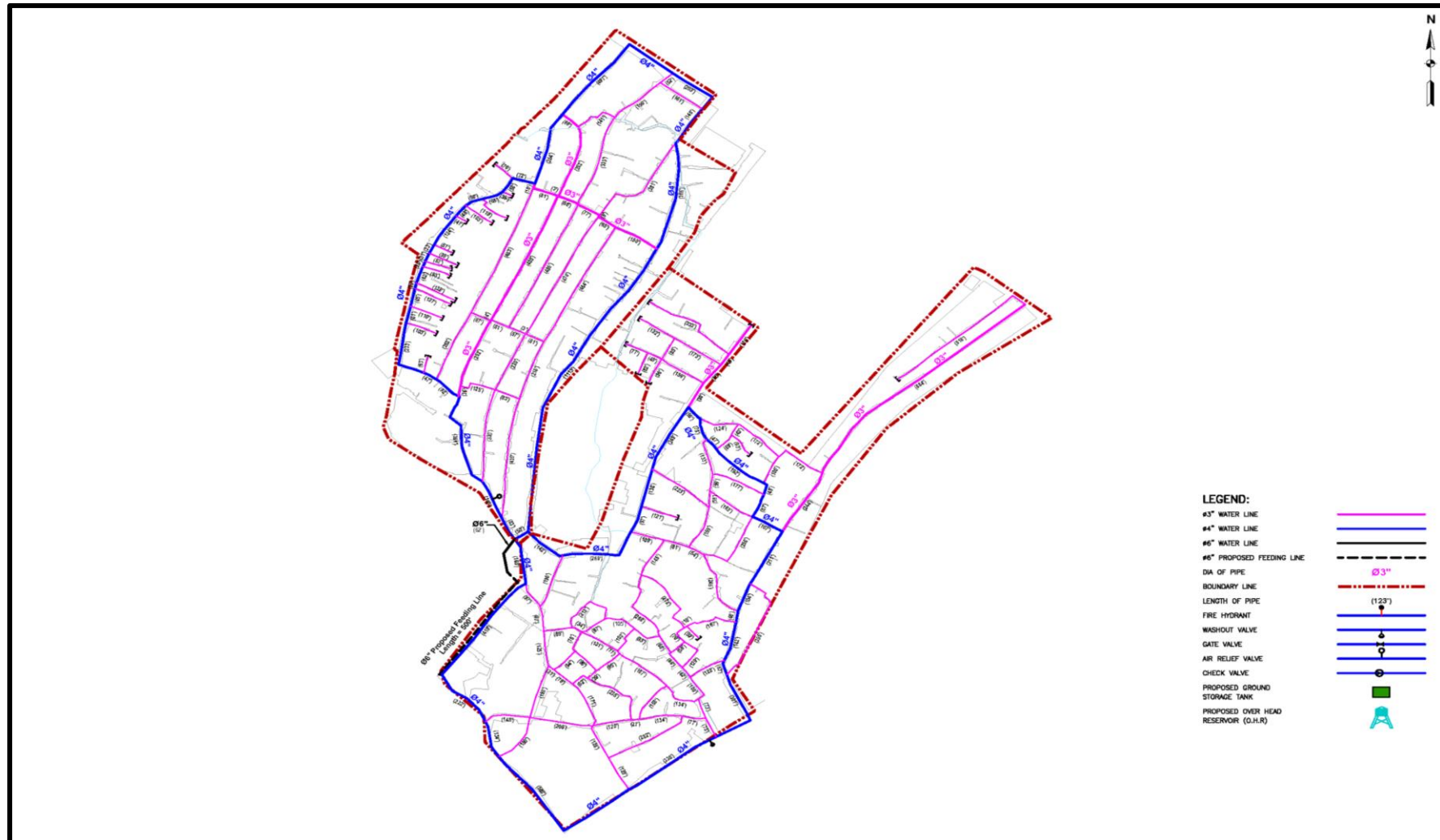


Figure 1.4: Layout Plan of Proposed Water Supply System in Essa Nagri / Welfare Colony

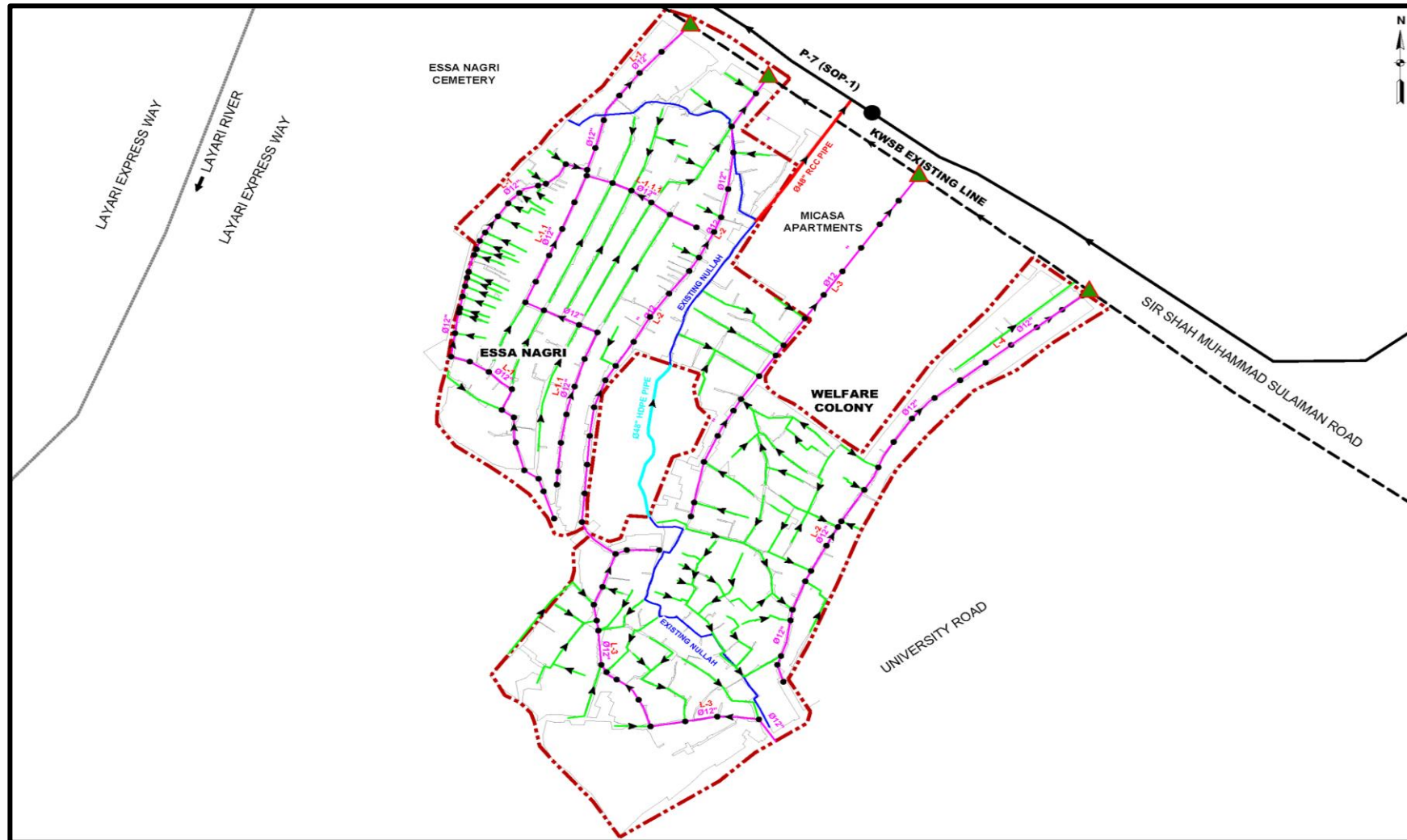


Figure 1.5: Layout Plan of Proposed Sewerage System in Essa Nagri and Welfare Colony



B. Sobanagar/ Goharabad

a. Water Supply System

The proposed design system for water supply network for Sobanagar/ Goharabad is given below:

• Total Area	=	19.37 Acres (78,388 m ²)
• Total Population	=	9,387 Persons
• Per Capita Demand	=	20 GPCD
• Average Water Consumption	=	187,740 GPD
• Capacity of Ground Storage Tank	=	50,000 Gallon
• Capacity of Overhead Storage Tank	=	20,000 Gallon
• Diameter Range	=	3" to 6"
• Length	=	16,427 ft (5,007 m)
• Area required for Water Tanks	=	70 ft. x 70 ft. (4900 sq.ft) (455 m ²)

b. Sewerage System

The sewerage system of Sobanagar/ Goharabad has been designed up till year 2050. Following Design parameters have been used in the design of this area:

• Average Water Consumption	=	187,740 GPD
• Average Wastewater Generated	=	80% of Average Water Demand
• Stormwater Allowance	=	33% of Peak Sewage Flow
• Total Design Flow	=	0.56 cusecs
• Diameter Range	=	9" – 12"
• Length	=	14,215 ft (4,333 m)
• Final Disposal Point	=	Proposed Sewerage Scheme in Gulberg (KWSSIP) P-4 into Lyari interceptor and finally towards TP-3.

Proposed water supply network of Sobanagar/ Goharabad is shown in **Figure 1.6** and proposed sewerage network of Sobanagar/ Goharabad is shown in **Figure 1.7**. While the location of water storage tank is shown in **Figure 1.8** and functional drawing of tank is shown in **Figure 1.9**.

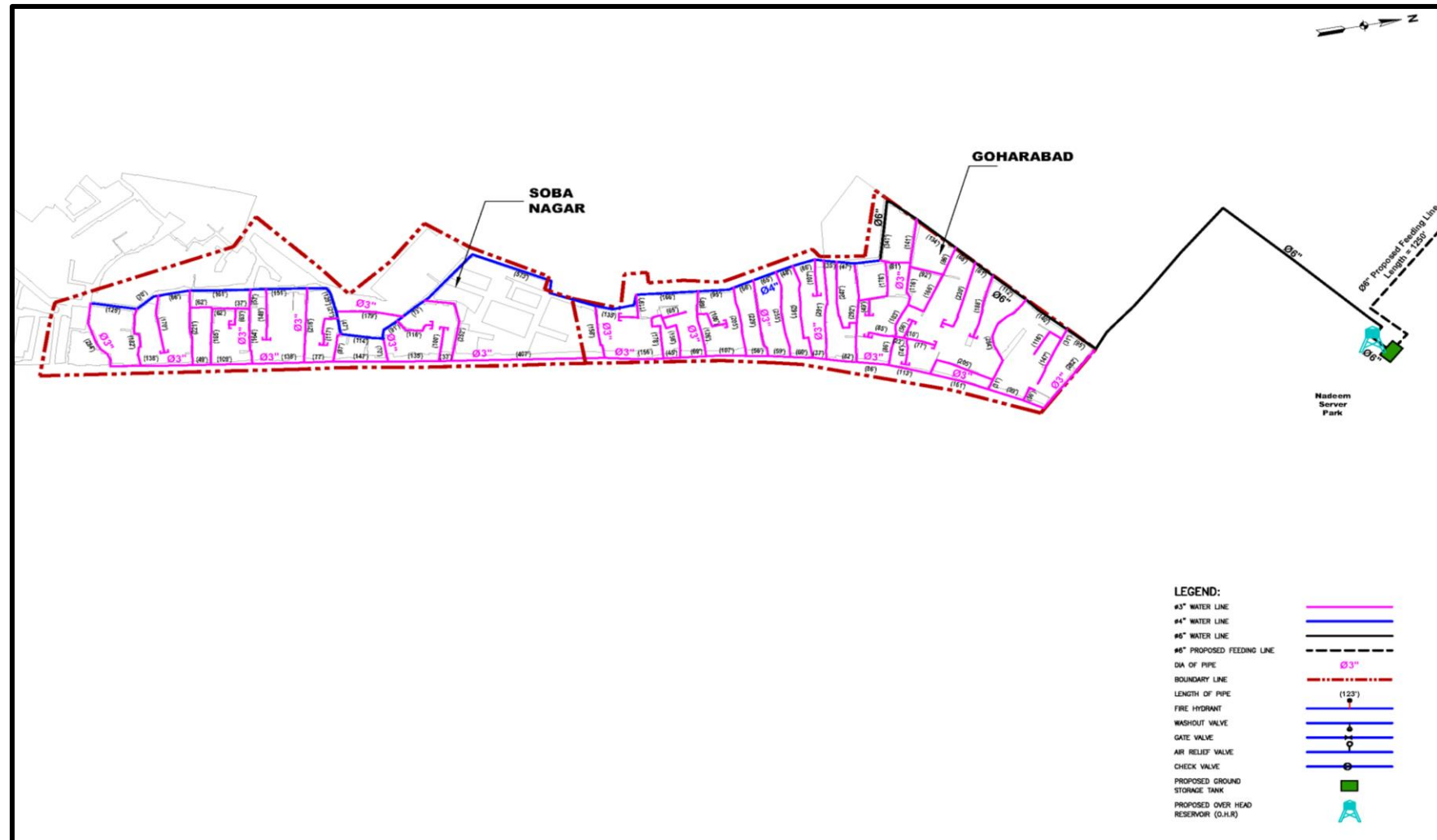


Figure 1.6: Layout Plan of Proposed Water Supply System in Sobanagar/ Goharabad

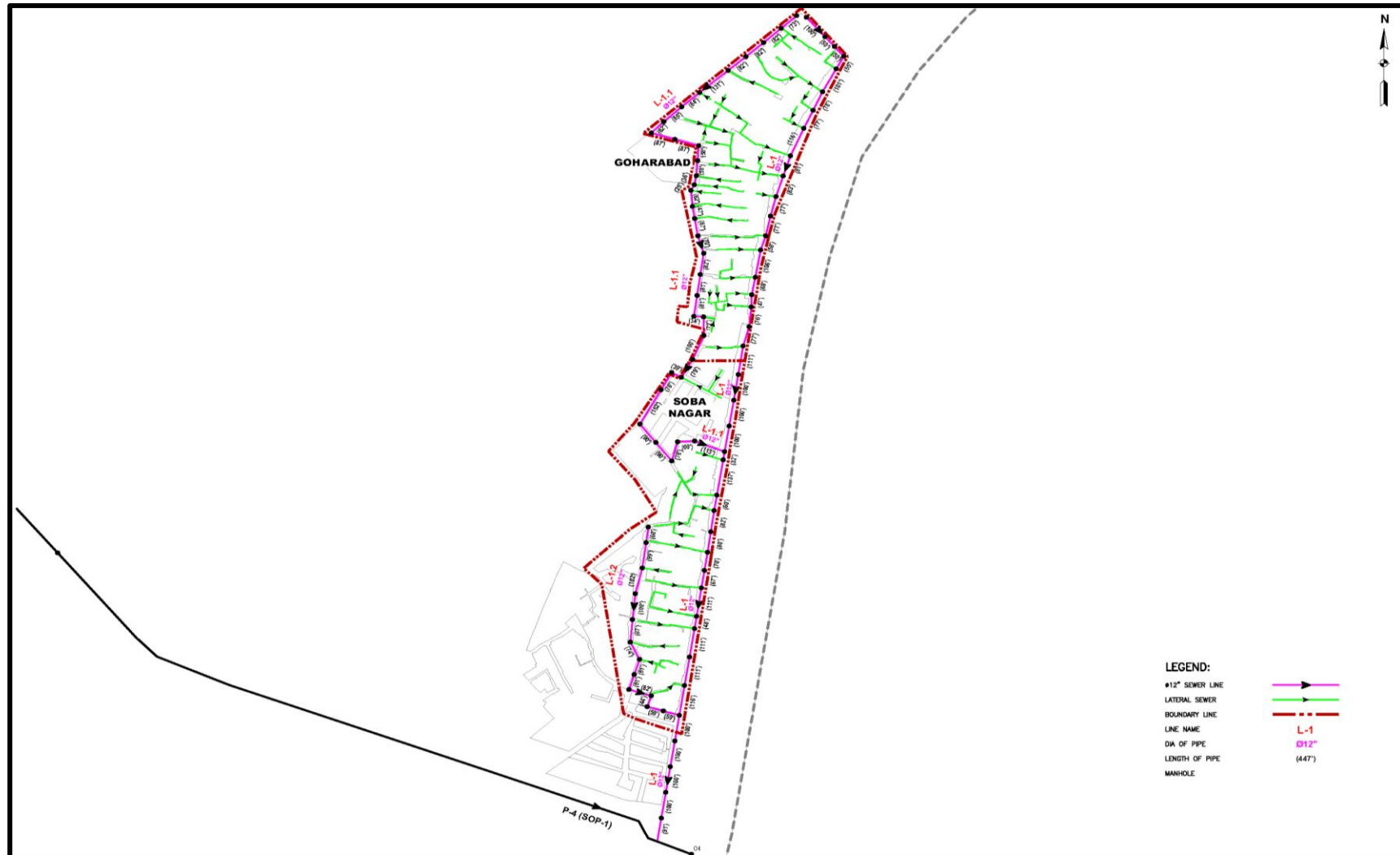


Figure 1.7: Layout Plan of Proposed Sewerage System in Sobanagar/ Goharabad



Figure 1.8: Location of Water Storage Tank at Sobanagar/ Goharabad

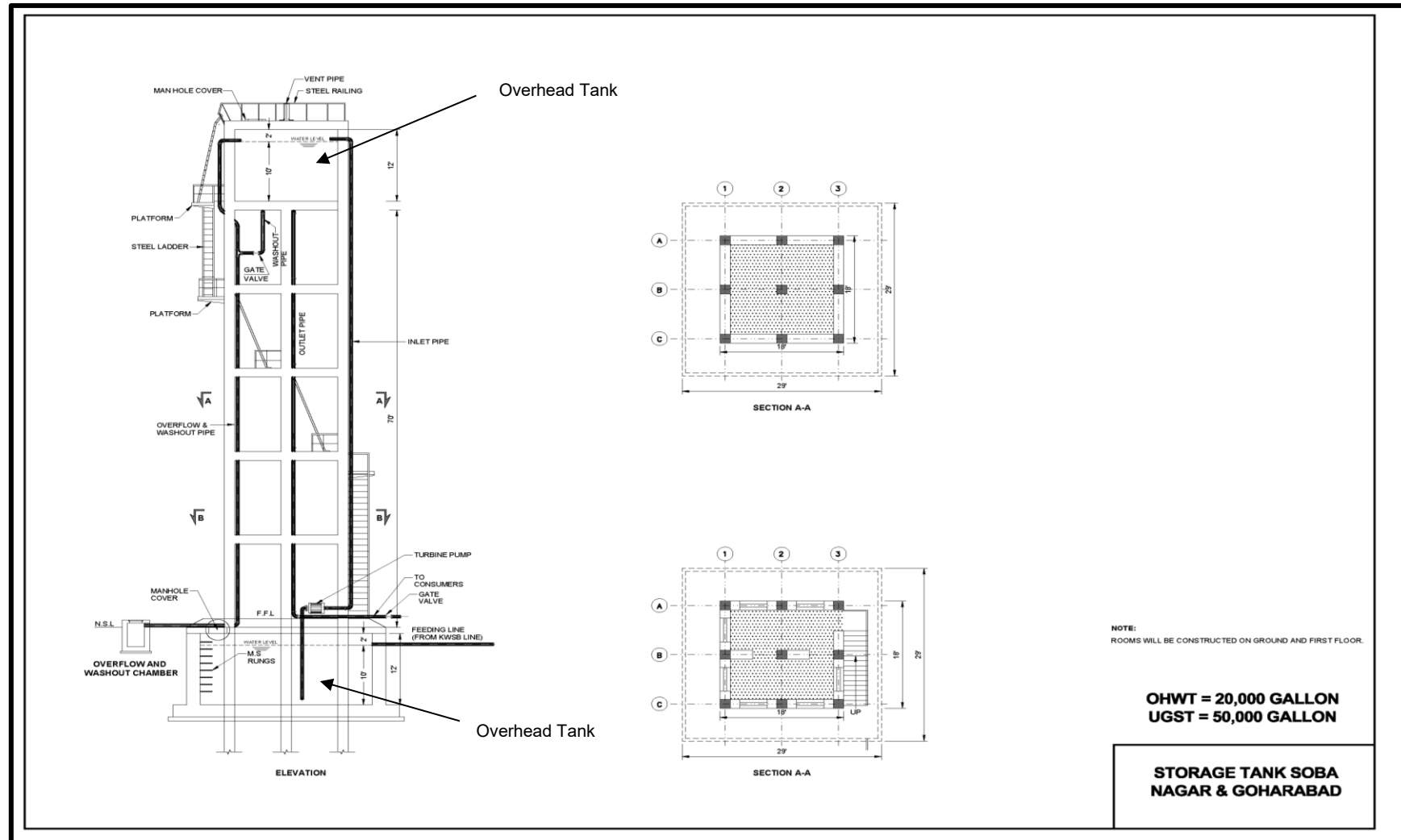


Figure 1.9: Functional Drawing of Water Storage Tank at Sobanagar/ Goharabad



1.5 Objectives of ARP

The overall objectives of the ARP are to provide necessary details for compensation, resettlement and rehabilitation by identifying:

- i) The extent of losses;
- ii) The policy framework for compensation payments, income restoration, relocation and rehabilitation (where applicable);
- iii) Mechanisms for timely disclosure of information to the project affected persons (PAPs) and other stakeholders;
- iv) Institutional arrangement for ARP preparation, implementation and monitoring;
- v) Grievance redress mechanism; and
- vi) Itemized resettlement budget and implementation schedule to ensure timely implementation of ARP provisions in compliance with World Bank's safeguard requirements and before commencement of civil works.

1.6 Objectives of the Proposed Project

The main objective of the proposed project is to rehabilitate water supply and sewerage system in low-income communities.



2 IDENTIFICATION OF SOCIAL IMPACTS

2.1 Scope of land acquisition

The proposed project covers rehabilitation of water supply and sewerage network and the construction of overhead / underground water tanks at the land owned by the Government of Sindh and will not involve acquisition of any privately owned land. The proposed project will not have any permanent impacts on land nor does it involve any physical displacement.

2.2 Assessment of Project Impacts

Detailed impact identification and assessment of affected infrastructure was carried out in both Katchi Abadis/ low-income communities (Essa Nagri/ Welfare Colony and Sobanagar/ Goharabad) during the month of April 2022. However, the construction period was delayed, therefore, the PAPs were revalidated in August 2024 and then finally in April 2026. The impacts assessment survey is based on the detailed design of the sewerage and water supply network rehabilitation, overhead reservoirs and pumping stations. The assessment process included the identification and measurement of land with land type, use and ownership status, restricted access to structures/ shops/businesses etc. This assessment is based on thorough consultation with project affected communities and other stakeholders including local land revenue authorities and government departments like Sindh Katchi Abadi Authority (SKAA). The social survey tools including census and socioeconomic survey proforma are attached as **Annex - I**.

2.3 Cut-off Date

The census of PAPs was started on April 23, 2022, which was considered the cut-off date for compensation. However, the construction period was delayed, therefore, the PAPs were revalidated in August 2024, therefore August 23, 2024 is considered as the new cut-off date. For the additional works i.e. Street No. 04 works in Essa Nagri / Welfare Colony, PAPs survey was conducted on April 06, 2026, therefore this is considered as the cut-off date for Street No. 04.

For the four additional streets in Soba Nagar, consultations and surveys commenced on 09 December 2025, while for the Sobanagar water tank to water main connection pipeline, surveys commenced on 24 December 2025. No PAPs were identified during the surveys of these streets or along the connection pipeline alignment; therefore, 09 December 2025 shall be considered the cut-off date for the four additional streets, and 24 December 2025 shall be considered the cut-off date for the connection pipeline.

2.4 Impact on Land

Land requirement is for the construction of overhead/ underground reservoirs and pumping station. The land for overhead reservoir in both Katchi Abadis is owned by Karachi Metropolitan Corporation. Hence, the project will not involve any private land acquisition.



The summary of the land requirement for the project is given below.

Table 2.1: Impact on Land

Sr. No.	Project Component	Land Requirement (Sq.ft.)	Status of Ownership
01	Overhead/ underground Reservoir at Sobanagar/ Goharabad	4,900	Karachi Municipal Corporation (KMC)
02	Overhead/ underground Reservoir at Essa Nagri / Welfare Colony	5,100	
	Total	4,900	

The NOCs have been issued for the Sobanagar/ Goharabad and Essa Nagri/ Welfare Colony, (copy of letters/NOC is attached as **Annex – II**).

2.5 Physical Displacement

The project will not result in displacement of any households.

2.6 Temporary Impact

The project will have temporary impact of restricted access for shopkeepers due to construction activities and the affected shopkeepers will face loss of income/ livelihood temporarily for which they will be compensated. As per census data, a total of 203 PAPs will face this impact. Out of these 193 PAPs are the shopkeepers and 10 PAPs are working as employees.

The affected shopkeepers represent a range of livelihood categories typical of dense urban settlements. This PAPs number i.e. 203 is inclusive of the new 13 PAPs identified at Street No. 04 additional works in Essa Nagri / Welfare Colony, whereas the additional works to be performed at Soba Nagar / Gohrabad are not resulting in any new PAPs as there are no livelihood impacts identified.

Out of these PAPs, 171 belongs to Essa Nagri / Welfare Colony (including 13 PAPs of Street No. 04) and 32 belongs to Soba Nagar / Gohrabad.

All these PAPs will be provided with livelihood allowance and additional compensation in case of being vulnerable if they are earning below the minimum wage, or PAPs with disabled family members or Female headed business. Detailed list of the PAPs/ shopkeepers is attached as **Annex-III**. The list of PAPs facing employment losses is attached **Annex-IV**.



2.6.1. Description of Additional Works in Both Katchi Abadis and Resulting PAPs

a- Soba Nagar / Gohrabad

The proposed additional works include the installation of water supply pipelines in four (04) additional streets located in Soba Nagar / Gohrabad, with an approximate total length of 6,000 running feet. The scope of work includes excavation, trenching, pipe laying, backfilling, compaction, provision of household connections, and restoration of road surfaces and any affected infrastructure. The works involve the installation of a 3-inch water supply pipeline. Considering the limited excavation width, short duration of activities, and adequate road width along the alignment, no livelihood impacts are anticipated at these locations.

b- Essa Nagri / Welfare Colony

Additional works at Essa Nagri / Welfare Colony involve the laying of sewer pipelines in Street No. 04, with an approximate length of 700 running feet, which was not part of the original project scope. There are 13 shops/small businesses located along the pipeline alignment, resulting in 13¹¹ PAPs that will face disturbance to livelihood. .

2.7 Vulnerable PAPs

PAPs who are persons with disabilities, female-headed business owners, or those with monthly household income is below the minimum wage rate notified by the Government of Sindh are considered vulnerable¹². A total of 17 vulnerable PAPs have been identified, including 14 with monthly income below the minimum wage threshold, one person with a disability, and two female-headed business owners. The vulnerable PAPs have been identified based on socioeconomic survey and census.

Table 2.2 shows the summary of the vulnerable PAPs. The list of vulnerable PAPs is attached as **Annex-V**.

Vulnerable PAPs will be provided a one-time vulnerability allowance (additional 03 months) and will be given preference in suitable project related employment. This will be reflected in the civil works contracts as well as the agreements between the project executing agency and the World Bank.

Table 2.2 : Summary of Vulnerable PAPs

Sr. No.	Category of Vulnerable PAPs	No.
1	Earning below minimum wage threshold	14
2	Women headed business	02
3	Disabled	01
Total		17

¹¹ These 13 PAPs are covered in total 203 PAPs

¹² *Financial vulnerability was assessed primarily on the basis of monthly household income collected through the socio-economic survey and verified during field visits. Households with income below minimum wage for FY 2025–26 notified by the Government of Sindh were classified as economically vulnerable.*



2.8 Summary of PAPs

Summary of PAPs is given below in **Table - 2.3**.

Table 2.3: Summary of PAPs

District	Sub Project	Total PAPs	Status of PAPs		Vulnerable			Refused	Closed Shops
			Shopkeepers	Employees	Disabled	Women-Headed	Earning Below Minimum Wage Threshold		
Central	Sobanagar/ Goharabad	32	29	3	0	0	0	0	0
East	Essa Nagri/ Welfare Colony	171	164	7	1	2	14	0	0
Total		203	193	10	1	2	14	0	0

3 SOCIO-ECONOMIC ASSESSMENT

3.1 Socio-Economic Environment

This Section provides a socioeconomic assessment pertaining to the demographic and socio-economic conditions of the PAPs. To assess the socioeconomic conditions of the PAPs, a social survey was carried out with the following objectives:

- Observe and document the existing socio-economic conditions of the PAPs;
- Gain information about the demographic characteristics of the PAPS;
- Identify the economic resource dependency of the PAPs;
- Explore the situation of civic amenities, drinking water conditions, education and health facilities etc.
- Get feedback from the community about existing and potential social issues; and
- Evaluate the possibilities of addressing their concern through relevant authorities.

3.2 Methodology Adopted for Data Collection

Following surveys were carried out at site for impacts identification; assess the socio-economic conditions of the affected population and gender situation analysis of female population settled Essa Nagri/ Welfare Colony and Sobanagar/ Goharabad;

- Focus Census of the Households (HHs);
- Socioeconomic Survey of the Households (HHs); and
- Gender Survey

The census was conducted covering 100% of PAPs and socioeconomic survey was carried out covering 125 households/respondents. A Census and socioeconomic survey of the PAPs was carried out in April 2022 and PAPs revalidation was carried out in August 2024 and December 2025 for four additional street sin Sobanagar as well as in April 2026 for the additional PAPs identified in Essa Nagri/ Welfare Colony (Street No. 4). The survey collected information on demographic characteristics, income sources, occupations, household composition, and other socioeconomic indicators of the affected population.

To present an overall picture of both Katchi Abadis, the key socioeconomic conditions based on the survey of PAPs are summarized below. A similar socioeconomic assessment was also undertaken during the preparation of the Environmental and Social Management Plan (ESMP)¹³. During the socio-economic surveys, people were informed about the project objectives, its location and basic design features etc.

3.3 Administrative Jurisdiction of the Project Area

¹³ <https://www.kwssip.gos.pk/wp-content/uploads/2023/10/20.9.23-ESMP-Essa-Nagri-ESMP-Binder.pdf>



Administratively, Sobanagar/ Goharabad falls in District Central and Essa Nagri / Welfare Colony falls in District East of Karachi. District Central and District East are under the charge of a Deputy Commissioner who works under the general control of the Commissioner of Karachi Division. She/He combines the functions of District Magistrate as well as Collector and responsible for the co-ordination of the function of all nation-building departments and maintaining law and order in the district. The judicial administration of the district is headed by a District and Session Judge.

A. Essa Nagri / Welfare Colony

Essa Nagri/ Welfare Colony is located in District East, Karachi on Sir Shah Muhammad Suleman Road. Lyari Expressway is on the Northern Side and University Road is on the eastern side of this area. Both Essa Nagri / Welfare Colony are highly dense areas and are considered as one Katchi Abadi in present study. The total population of Essa Nagri/ Welfare Colony is about 28,792 persons¹⁴.

Majority of the respondents consulted during consultation meetings were illiterate which may be due to poor economic conditions. Basic education and health facilities are available. The community has electricity and gas facilities. Small shops/ businesses/ hotels/ restaurants have been established in the Abadi by the locals. General stores are available in the community. The majority residents of Essa Nagri are Christians while that of Welfare Colony are Muslims. The major castes of community are Khokhar, Gill, Rana / Rajpoot and Yousafzai in both the communities. A CBO named as J. Town Welfare Trust is working in the Essa Nagri for the welfare of community.

B. Sobanagar/ Goharabad

Sobanagar/ Goharabad is located in District Central, Karachi in the north of Gulshan-e-Shamim adjacent to Lyari River near Shahrah-e-Jehangir Road Karachi. Both these areas are parallel to Lyari River and Lyari Expressway. The population of Sobanagar/ Goharabad is about 9,387 persons¹⁵. The people of the Sobanagar / Goharabad are running small level shops/ businesses/ hotels/ restaurants etc. for earning their livelihoods. Majority of the population in Sobanagar and Goharabad is Muslim. The major castes are Malik, Baloch, and Sariki.

Basic education and health facilities are available. Electricity and gas facilities are also present in the area. The residents of the area use small level commercial/ grocery shops established in the community along the roads. A CBO Trust International (Human Rights Organization), is working in Sobanagar.

¹⁴ Source: Sindh Katchi Abadi Authority

¹⁵ Source: Sindh Katchi Abadi Authority



3.4 Findings of the Census and Socio-Economic Survey

3.4.1 Estimated Affected Households (HHs) and Population

According to the survey, there are a total of 203¹⁶ PAPs with an associated household population of 1,131 persons. **Table 3.1** below presents the distribution of the PAPs household population across the two Katchi Abadis.

Table 3.1: PAPs Household Population

Name of Abadi	No. of HHs	Total Population	Male	Female	Avg. Household Size
Soba Nagar / Goharabad	32	157	92	65	4.9
Essa Nagri / Welfare Colony	171	974	578	396	5.7
Total	203	1,131	670	461	5.57

¹⁶ Total affected Households are 203

3.4.2 Gender Distribution of the Respondents

In addition to the census and socioeconomic survey of the affected community, 154 female respondents were also included in the survey and were contacted through female sociologist and responses of female respondents are analyzed and discussed separately in gender situation analysis report as part of Feasibility Report. Key findings in this regard are as follows:

- Women expressed concerns regarding public health risks associated with poor sanitation and stagnant wastewater, particularly impacts on children and elderly household members.
- Limited mobility and cultural norms restrict women's participation in public consultations; therefore, engagement through female sociologists helped capture women's perspectives and priorities regarding improved water supply and sewerage services.
- Female respondents generally supported the proposed project interventions and emphasized the need for improved service delivery to reduce time and effort spent managing household water needs.
- Women also highlighted the importance of safe access to streets during construction and requested timely information about construction schedules to minimize inconvenience to household activities.

3.4.3 Demographic Characteristics of the Population

The survey results of Sobanagar/ Goharabad reveal that majority of the surveyed respondents were aged between 21-40 years which indicates that they were mature enough to participate in the survey. Furthermore, the education level of most of the respondents was primary to middle which indicates that the trend of getting education is quite low which may be due to lack of education facilities and financial constraints. Due to low education level, the livelihood sources of the respondents have narrowed down to the labor works and small businesses including shops/ kiosks etc.

Likewise, in Essa Nagri/ Welfare Colony, the majority of respondents were of mature age i.e., 21-30 and 31–40 years. Unfortunately, a high percentage of the respondents were illiterate which shows lack of interest in getting education, may be due to poor socioeconomic conditions. Main source of income in Essa Nagri/Welfare Colony is business / shops and some work in other occupations like services, labor and in private jobs in the form of mechanic, painter, welder, masonry worker etc. A detailed demographic characteristic of the respondents is given in below Table 3.2.

Table 3.2: Demographic Characteristics of the Surveyed Respondents

Demographic Characteristics	Sobanagar / Goharabad	Essa Nagri / Welfare Colony
Surveyed Respondents	Count	Count
Age Categories		
All Respondents	25	100
1. Up to 20 years	1	6
2. 21 – 30 years	9	30
3. 31 – 40 years	7	30
4. 41 – 50 years	6	16
5. Above 50 years	2	18
Education		
All Respondents	25	100
1. Illiterate	8	28
2. Primary to Middle	16	25
3. Matric	0	29
4. Intermediate	1	15
5. Graduation and above	0	3
Occupation		
All Respondents	25	100
1. Business / Shops	25	96
2. Labour / Farmer	0	0
3. Services	0	0
4. Private Job	0	0
5. Govt. Job	0	0
6. Retired Govt. Employee	0	0
7. Kiosks / Hawkers	0	4

3.4.4 Marital Status and Family System

Findings revealed that in Sobanagar / Goharabad, most of surveyed respondents were married and living with their partners. The high percentage of married respondents may be due to the reason that majority of them were of mature age group. Furthermore, the dominant family system was joint families, which depicts the traditional culture. The same results were found in the Essa Nagri/ Welfare Colony as well. The results are reflected in **Table 3.3** below.

Table 3.3: Marital Status and Family System

Description	Sobanagar / Goharabad	Essa Nagri / Welfare Colony
Surveyed Respondents	Count	Count
Marital Status		
All Respondents	25	100
1. Married	17	74
2. Un-married	8	26
Family System		
All Respondents	25	100
1. Joint	13	47
2. Nuclear	12	53

3.4.5 Religion

The majority of population in Sobanagar and Goharabad are Muslims. A small percentage of Hindu community is also present in Sobanagar.

On the other hand, in Essa Nagri there are mostly Christians and in Welfare Colony there are mostly Muslims. No Hindu community exists in Essa Nagri/. Religion breakdown of community being surveyed is shown in Table 3.4 below.

Table 3.4: Religion

Description	Sobanagar / Goharabad	Essa Nagri / Welfare Colony
Surveyed Respondents	Count	Count
Religion		
All Respondents	25	100
1. Muslim	15	38
2. Christian	9	62
3. Hindu	1	0

3.4.6 Caste System

The major castes reported in Sobanagar / Goharabad are MalikBaloch, and Sariki. Furthermore, the Hindu Community Reported their caste as Naqashbandi.

The main castes in Essa Nagri / Welfare Colony are Khokhar and Pathan. The sub castes falling in 'Others' Category and in small percentages are Bunair, Afridi, Ghauri, Hassanzai, Kalyana, Soomro, Swati, Malko, Sotra, Kokla, Soni Padyar, Randhawa, Sarya, Rehmani, Jutt, Bhatti, and Kharot etc. Details are given below in **Table 3.5**.

Table 3.5: Caste System

Sobanagar / Goharabad	Count	Essa Nagri / Welfare Colony	Count
All Respondents	25	All Respondents	100
1. Malik	7	1. Other	32
2. Baloch	3	2. Pathan	17
3. Rajpoot	3	3. Khokhar	10
4. Bangali	2	4. Rajpoot	9
5. Dilzaq	2	5. Malik	7
6. Nasqshbandi	2	6. Gill	6
7. Pathan	2	7. Mattoo	5
8. Punjabi	2	8. Yusuf Zai	5
9. Saraiki	2	9. Abbasi	3
		10. Masih	3
		11. Athwal	2
		12. Arain	1

3.4.7 Languages Spoken

The dominant language in the project area was Urdu representing typical feature of Karachi. However, Punjabi was reported as the second largest spoken language. Punjabi language was mostly reported by the Christian community in both Sobanagar/ Goharabad and Essa Nagri/ welfare Colony who have migrated from Punjab to Karachi (Sindh). Other languages include Pushto, Saraiki, Sindhi, Balochi and Hindko. Pushto reflects the presence of Pushtoon community in Welfare Colony.

3.4.8 Sex Ratio

The sex ratio is an important demographic indicator, which is defined as the “ratio of females to male in a population”. The sex ratio of the population of PAPs is 1.45. The sex ratio depends on the factors such as the sex ratio at birth, differential mortality rates between the sexes at different ages, and losses and gains through migration.

3.4.9 Monthly Income of the PAPs

The monthly income of all PAPs except the vulnerable PAPs was found to be meeting the Government notified minimum wage threshold.

The monthly income of the identified vulnerable PAPs varies between PKR 6,000 and PKR 30,000 per month, indicating overall low-income economic conditions (see **Annex III**). This reflects the economically fragile nature of livelihoods such segment in the Katchi Abadi areas.

Most respondents perceive their income as insufficient to meet household needs, which is characteristic of informal settlements where small-scale retail, services, and daily wage activities dominate.

3.4.10 Ownership Status of the Houses

Sampled respondents were asked about the ownership status of their households. In Sobanagar / Goharabad, majority of the respondents were owners and remaining were living on rental basis (see Table 3.8)

The situation is same in Essa Nagri / Welfare Colony where majority PAPs were owners and remaining were renters (see Table 3.7). Furthermore, it was reported that Christian community of Essa Nagri do not rent out their houses to Muslim community.

Table 3.7: Ownership Status of the Respondents

Sr. No.	Ownership Status	Sobanagar / Goharabad	Essa Nagri / Welfare Colony
	Surveyed Respondents	Count	Count
1	Owner	13	60
2	Renter	12	40
	Total	25	100

3.4.11 Housing Construction Pattern

Socioeconomic results showed that in Sobanagar / Goharabad, the PAPs depend largely on reinforced cement concrete (RCC) roof, stone walls with cement mortar, cement plastering and flooring for construction of their houses so majority PAPs have *pacca*¹⁷ structures and remaining were living in semi *pacca* houses. While no *katcha* structure was reported in Sobanagar and Goharabad. Generally, the type of material used for construction is an indicator of the economic status of each household of survey area.

In Essa Nagri / Welfare Colony, majority PAPs have *pacca* structures and remaining were living in semi *pacca* houses but a small percent in Essa Nagri / Welfare Colony were living in *katcha* houses (see Table 3.8).

¹⁷Pacca structures are: RCC roof, stone walls with cement mortar, cement plastering & flooring

Semi-Pacca structures are: RCC roof, stone walls with cement mortar, without plastering & cement flooring and

Kacha structures are: CIG Sheet roofing, stone & wood walls with cement mortar, without plastering & cement flooring

Table 3.8: Construction Pattern of HHs of Surveyed Respondents

Sr. No.	Construction Pattern	Sobanagar / Goharabad	Essa Nagri / Welfare Colony
	Surveyed Respondents	Count	Count
1	Pacca	23	92
2	Semi Pacca	1	6
3	Katcha	1	2
	Total	25	100

3.4.12 Health Facilities

Inadequate health services are one of the major challenges highlighted by many participants in Focused Group Discussions (FGDs) conducted in each Katchi Abadi. Private clinics found in Sobanagar/ Goharabad include Family Care Clinic, DAWAAK Walk in Clinic (Maternity Home), Saad Care Clinic and Daniyal Clinic.

The basic health facilities in Essa Nagri/ Welfare Colony include Al Khidmat Clinic, Shaheen Medical Centre and Family Clinic, Jiwa Clinic, Khan Clinic, Zeenat Zacha Bacha & Ultrasound Centre, Zeenat Maternity Home, Siraj Clinic, (Physician and Surgeons) and Adnan Medical Centre.

As per socioeconomic survey, no hospital (both private and government) was found in the Sobanagar / Goharabad and in Essa Nagri. Some small private clinics exist in the community, which are run by dispensers with limited services. These clinics provide the routine medical checkups and basic health facilities to the inhabitants of Sobanagar / Goharabad and Essa Nagri. The household members who fell sick receive treatment from the nearby health centers / clinics. Likewise, The Abbasi Shaheed Hospital is the biggest hospital in the Central District. Among the big hospitals of District East are Aga Khan Hospital, Liaquat National Hospital, Shoukat Umer Memorial Hospital and Sindh Government Hospital.

3.4.13 Educational Facilities

The basic educational facilities available in the Sobanagar / Goharabad include the Montessori Preparation Centre and Tuition Centre, White Rose Grammar School and Sir Anks System Education, Goharabad. For higher education, the students have to move to other areas outside the communities, but within the city.

In Essa Nagri / Welfare Colony the educational institutions include Al Seerat Academy, Hira Grammar School, S.A Public School and Coaching Centre, The Little Scholar School, Baithak School Network, A.F School, Branch V, Al Farooq Model Secondary School, Islamia Public Secondary School and Ibn e Arqum (Islamic Secondary School). For higher education the students have to move to other areas outside the communities, but within the city.

3.4.14 Basic Amenities in the Project Area

The respondents were also asked about the availability of basic amenities in the proposed project area. They indicated that they have access to electricity, gas, health care centers, markets, shops and the nearest main roads to buy various durable goods. But some issues found during the socioeconomic survey that both communities have poor sewerage and drainage facilities. The streets of Sobanagar / Goharabad and Essa Nagri / Welfare Colony inundate during rain. Majority of the households of Sobanagar / Goharabad and Essa Nagri / Welfare Colony had electricity facility, being available from the national grid. Gas is available only to some houses /structures of Sobanagar / Goharabad.

Small commercial/ grocery shops are available in the community along the roads, which are being used by the residents for their daily needs. While health care facilities in shape of clinics/ dispensaries were available to residents at limited level. Water supply is not available to all the sampled households as people spend money to get water for drinking purpose and household use, water scarcity exists in each Katchi Abadi.

3.4.15 Religious, Historical, Archaeological and Recreational Sites

Religious sites include mosques, shrines, graveyards and churches are socially sensitive areas to deal with. Mosques, graveyards, shrines and churches are present in Sobanagar / Goharabad and Essa Nagri / Welfare Colony.

A number of mosques are present in Sobanagar / Goharabad and Welfare Colony. The mosques in Sobanagar/ Goharabad include Jamia Masjid Faizan e Qadri, Madni Jamia Masjid, Jamia Masjid Sua'leheen, Al Akhwan Mosque, Jamia Masjid Al Madni and Jamia Masjid Rehmania.

The mosques in Essa Nagri/ Welfare Colony include Madrassa Tarteel ul Quran, Peer Bukhari Masjid, Madrassa Arbiyah Taleem ul Quran, Gulshan Jamia Masjid, Jamia Masjid Allah Wali, Welfare Colony and Jamia Rehmniya Lil'banat.

In above mentioned mosques, all men offer their prayers five times a day. These mosques are also being utilized for the religious and community activities; small madrassas present in these mosques also provide the religious education to children of the local communities. But these mosques will not be affected due to laying of sewer and water supply lines. However, during construction phase, these mosques will face noise, dust and vibration issues, which require special mitigation measures. To minimize impacts within the dense katchi abadi setting, mitigation measures will include scheduling excavation activities outside prayer times where feasible, regular water sprinkling to control dust, maintaining safe pedestrian access to mosque entrances, restricting high-noise activities during prayer hours, and ensuring prompt restoration of the work area after pipe installation.

A. Graveyard

People are very sensitive and emotionally attached to the religious sites. In the proposed project area, two graveyards have been found in Essa Nagri, one is located at Munnoo Goth (inside boundary of Essa Nagri) and second is adjacent to the boundary of Essa Nagri named as Essa Nagri Graveyard by the surrounding communities. None of them is likely to be affected due to laying of sewer and water supply lines. There will be no adverse impact on the graveyards due to construction activities of the project and the local communities have shown no concern.

B. Shrines

Mazar Shareef Syed Noor Muhammad Shah Bukhari (Jhandy Shah) is the only shrine which is present in Welfare Colony. No other shrines have been observed in other Katchi Abadis. No significant impacts are envisaged on the identified shrine as it is located at a reasonable distance from the location of construction activities. The ESMP already includes applicable mitigation measures, including chance-find procedures and construction management controls, which will be implemented during all the works.

C. Churches

Two main Churches including United Church (Dastageer Sobanagar) and Sadu Group Church (Essa Nagri) are present in the communities that are used by the Christians. Other than this, some small churches were also found in Essa Nagri which are Gospel Church, Seventh Day Church, Pakistan Assembly of God, The Salvation Army Church, New Vision Pentecostal Church of Pakistan, Shalokh Church of Pakistan, Catholic Church and Grace Light Baptist Church. No significant impacts are envisaged on the identified churches.

3.4.16 Presence of NGOs/ CBOs

No Non-Governmental Organization (NGO) was identified in the community but some CBOs are working in the Abadis for the welfare of people. Aftab Welfare Trust International (Human Rights Organization) in Sobanagar, J. Town Welfare Trust in Essa Nagri are working with the purposes of providing social welfare to the members of community. They also focus on community development, as these organizations aims to alleviate poverty, illiteracy, poor health conditions and economic deprivation in the Katchi Abadis.

No major social conflicts were identified within the communities during consultations. However, minor issues may arise during construction, particularly related to temporary access restrictions, construction disturbances, or concerns regarding compensation for livelihood impacts. Such issues will be resolved through community dialogue involving local elders, mosque committees, and neighborhood representatives. In addition, the project's GRM will be available to receive, document, and address any complaints in a timely and transparent manner, ensuring that concerns raised by community members and PAPs are effectively resolved.



4 PUBLIC CONSULTATION AND PARTICIPATION

4.1 General

The consultation and information disclosure to the PAPs and other stakeholders during project planning, designing and implementation stages is a key to sustainable development. Likewise, participation of stakeholders at all stages of project preparation is essential to meet the objectives of meaningful consultation under resettlement policy. During preparation of the ARP, project affected persons and other stakeholders from different fields of life were consulted to learn their concerns and adopt appropriate measure in project design, resettlement planning. Public participation and consultation were done through individual, group, and community meetings.

4.2 Identification of Project Stakeholders

Two major categories of project stakeholders were identified for the proposed project (i) government institutions, and (ii) PAPs who are running their shops along the proposed alignments of the water supply and sewerage lines and general residents of the Katchi Abadis not having any resettlement impacts. These stakeholders have been identified in **Table 4.1**.

Table 4.1: Identification of Stakeholders and Methods used for Consultation

Sr. No.	Stakeholders Category	Stakeholder	Consultation Method
01	Government Institutions	<ul style="list-style-type: none">PIU-KWSSIPKWSCSKAAsRevenue DepartmentKMC/ DMC	<ul style="list-style-type: none">Formal consultative meetings
02	Commercial PAPs	<ul style="list-style-type: none">Business/ shop ownersBusiness operators running shops on rental basisEmployeesVendors	<ul style="list-style-type: none">Group meetingsIndividual meetingsCommunity meetingsIndividual interviews
03	General population	<ul style="list-style-type: none">Residents of katchi Abadis not having any resettlement impacts	<ul style="list-style-type: none">Group meetingsIndividual meetingsCommunity meetings

4.3 Consultation with Stakeholders

Consultations were conducted with all the stakeholders using various methodologies as identified in **Table 4.1**. The main objectives of these consultations were to collect the views of the stakeholders regarding the proposed project and identify measures to ensure maximization of project benefits and minimization of project's negative impacts. Consultation meetings with PAPs were conducted in an open environment, in which they expressed their view freely. The consultation was carried out with the stakeholders during the months of



October, November and December 2021 and April 2022 for different studies involved in different phases of the project such as Feasibility Study, Environmental and Social Screening, and AED Screening Study. However, for preparation of ARP, detailed consultation was held during the month of April 2022 and August 2024. Additional consultations were conducted during July, August, November and December in year 2025, and in February and April 2026.

The schedule of stakeholder consultations carried out originally is given below in **Table 4.2**. These consultation meetings were held jointly by NESPAK and PIU-KWSSIP E&S team. Details of new consultations carried out during re-validation and in additional work areas are provided in **Table 4.3**.

Table 4.2: Details of Consultation Meetings

Sr. No.	Name of Katchi Abadi/ Institution	Date / Time	Venue	No of Participants
7	Essa Nagri	03-03-2022 11:00 am	Local Community Essa Nagri	5 Persons
8	Essa Nagri	8-04-2022 2:00 pm to 4:30 pm	Sadhu Group Church (Christian Community)	16 (Male Participants)
9	Welfare Colony	09-04-2022 2:00 pm to 4:00 pm	Edhi Center	15 (Male Participants)
10	Welfare Colony	10-04-2022 4:35 pm to 6:00 pm	Rehmania Masjid, Welfare Colony (Muslim Community)	25 (Male Participants)
11	Essa Nagri	18-04-2022 14:40 pm	Residential and Commercial Area	10 Persons
12	Essa Nagri	19-04-2022 16:25 pm	Residential and Commercial Area	6 Persons
13	Essa Nagri	20-04-2022 15:30 pm	Residential and Commercial Area	6 Persons
14	Essa Nagri	29-04-2022 10:30 am	Sadhu Group Church (Christian Community)	35 (Male & Female Participants)
15	Sobanagar	03-03-2022 3:30 pm	Local Community Sobanagar	5 Persons
16	Sobanagar	08-04-2022 8:00 pm	United Church, Sobanagar	4 Persons
17	Sobanagar	10-04-2022 9:00 pm to 10:15 pm	United Church, Sobanagar (Christian Community)	25 (Male Participants)
18	Goharabad	12-04-2022 5:00 pm to 6:30 pm	Commercial Market, Goharabad (Muslim Community)	30 (Male & Female Participants)
19	Sobanagar	12-04-2022 9:00 pm to 10:30 pm	United Church, Sobanagar (Christian Community)	44 (Male & Female Participants)



Sr. No.	Name of Katchi Abadi/ Institution	Date / Time	Venue	No of Participants
20	Goharabad	14-04-2022 12:50 pm	Commercial Market, Goharabad	10 Persons
Meetings with Institutional Stakeholders				
Sr. No.	Name of Department	Date / Time	Venue	Officials
1	PIU-KWSSIP	Oct to April 2022	PIU-KWSSIP	<ul style="list-style-type: none"> • Ms. Hameeda • Mr. Khurram • Ms. Kiran • Mr. Ali Hamid • Mr. Saeed Hussain • Mr. Zeeshan Jafry • Ms. Adeera Nasar
2	KWSC	07-02-2022	KWSC	<ul style="list-style-type: none"> • Mr. Mansoor • Mr. Raees • Ms. Kiran • Mr. Zeeshan Jafry • Mr. Aftab Ali
3	SKAA	12-04-2022 12:00 pm – 01:00 pm	Sindh Katchi Abadis Authority	<ul style="list-style-type: none"> • Mr. Manzoor Ahmad Chandio • Mr. Ali Hamid • Mr. Aneeqe Ahmad • Mr. Aftab Ali
4	KMC/ KAC	12-04-2022 02:00 pm – 03:00 pm	Karachi Metropolitan Corporation	<ul style="list-style-type: none"> • Mr. Maqsood • Mr. Ali Hamid • Mr. Aneeqe Ahmad • Mr. Aftab Ali

Filled in proforma used to record the meetings with PAPs and other stakeholders is attached as **Annex-VI**.

Table 4.3: Details of New Consultation Meetings

Sr. No.	Name of Katchi Abadi/ Institution	Date / Time	Venue	No of Participants
1	Soba Nagar	18-07-2025	Local Community Soba Nagar	08
2	Gohra Abad	29-08-2025	(Christian Community)	07
3	Essa Nagri	06-11-2025	Local Community Essa Nagri	16
4	Welfare Colony	22-12-2025	Edhi Center	10



Sr. No.	Name of Katchi Abadi/ Institution	Date / Time	Venue	No of Participants
5	Soba Nagar – Additional Four Streets	09-12-2025	CBO Office	14
6	Soba Nagar – Connection Pipeline	24-12-2025	Shops along the alignment	09
7	Soba Nagar – Connection Pipeline	17-02-2026	Houses / Shops along the alignment	03
8	Essa Nagri – Street No. 04	06-04-2026	Shops along the alignment	13

4.4 Information Disseminated

During the consultation meetings with PAPs, the following information was disclosed:

- Introduction of the project;
- Description of project components, its activities and impacts;
- Description of criteria of evaluation of temporary business losses;
- Basis for determining the rates for compensating the temporary business losses during construction;
- Discuss social and environmental impacts;
- Discuss overall resettlement-related impacts of the project; and
- Needs, priorities and reactions of the affected people regarding the proposed Project.
- Discussion on GRM and formation of GRCs;
- Discussion on compensation mechanism.

4.5 Findings of Consultation Meetings

Following are the key findings of the consultation meetings:

Table 4.3: Key Concerns Raised and Responses Given to the Participants of Meetings

Sr. No.	Concern	Response
Essa Nagri/ Welfare Colony		
1	Presently, water supply is the main issue in the Essa Nagri, low pressure, contamination, irregular timings and insufficient water supply are the main issues.	In the Essa Nagri/ Welfare Colony, with the construction of overhead reservoir, valve-men control over the water supply will be over and the community will be supplied safe water in adequate quantity, sufficient pressure and with equal distribution to both the communities.
2	The participants pointed out that valve-men have control over the water supply lines and they do not open the valves timely, therefore, water supply is disturbed	



Sr. No.	Concern	Response
3	The participants were concerned that after the construction of the overhead reservoir, the community will not have control over the water distribution from reservoir.	
4	After the construction of the overhead reservoir, the community will not have control over the water distribution from reservoir; therefore, location of the overhead reservoir should be shifted in the Essa Nagri, instead of open ground near Welfare Colony in the jurisdiction of Munnoo Goth.	The design team, PIU-KWSSIP E&S team with the involvement of representatives from the Essa Nagri community visited the locality if there is any alternate space available for the location of the overhead reservoir, however no open space was identified, which may be considered for the construction of overhead reservoir;
5	The participants from Munnoo Goth raised concern that the location of the overhead reservoir should be shifted to somewhere else, since the open ground (area proposed for the construction of overhead reservoir) is being used as playground for football and Saturday Bazar for the community	The Director SKAA PIU-KWSSIP along with Vice Chairman KWSC held a meeting with the residents of Munnoo Goth and it was agreed that after the construction of the overhead reservoir, the remaining open plot will be constructed into a formal football playground by the PIU-KWSSIP for the community, since the area used for the construction of overhead reservoir is very small (8100 sq.ft.) as compared to the total area (about 53,000 sq.ft.) of the plot.
6	Open drain passing through the Essa Nagri is encroached with the residential structures, filled with the solid waste, usually remain over flooded and choked.	The sewage from this drain shall be shifted to other sewerage lines and the existing drain will mostly be used for stormwater drainage provided that community do not through solid waste in this drain.
7	In Welfare Colony, main sewer line at civic center is choked which need cleaning.	The project also involves replacement of old choked lines and this line shall also be replaced with the pipe of bigger diameter.
8	Sewer line in front of local shopping mall outside the Welfare Colony Community is also choked which also needs to be cleared.	
9	The participants also showed concern that their businesses will be disturbed due to the construction activities.	Such disturbances will be minimized to the extent possible. The people facing direct business losses due to restricted access during execution shall be compensated.
10	The shopkeepers demanded that they must be informed before the start of construction activities.	The people of project area will be informed before commencement of the project. During the construction phase also, liaison with the community will be maintained.
11	PAPs demanded that they must be compensated for the loss of their	PAPs will be fully compensated for the loss of their business income during the construction phase.



Sr. No.	Concern	Response
	businesses/ livelihoods occurring due to construction activities.	
12	In the streets of Katchi Abadi, the commuters will face movement problems, it must be avoided to the maximum.	Appropriate detour plan shall be developed to avoid the disruption of commuters during construction time. Regular liaison with the community will be maintained to address such issues.
13	Dust particles will create health issues for local residents, shopkeepers, customers and commuters etc.	Water sprinkling shall be done to suppress the dust.
14	The participants of the meetings showed willingness for the rehabilitation of water supply and sewerage networks, even if there is some disturbance in their routine activities or any businesses losses to shop owners/ loss of livelihoods considering the project of vital importance for the Essa Nagri/Welfare Colony.	Efforts shall be made to minimize disturbance to the local community in their routine activities and businesses. Furthermore, the PAPs facing direct impacts on their business due to project activities, will be fully compensated for their loss of business.
Sobanagar/ Goharabad		
15	Sobanagar/ Goharabad is deprived of water, although it is partially covered with supply network.	In the Sobanagar/ Goharabad, with the construction of water supply and sewerage lines, issues of the community will be resolved. All the community will have access to the water as per population demand.
16	The participants of the meetings indicated that some residents get water once a week and remaining do not even get after a week.	
17	Water supply lines should be designed to cater futuristic water demands in proportion to the population demand of the communities.	
18	The local residents were also apprehensive that after the construction of sewerage lines, these will remain blocked.	After the construction, there will be proper operation and maintenance of the sewer lines.
19	The locals are ready to co-operate with the project administration for its execution even if there is any loss to their businesses during the construction considering the water as dire need of the communities.	Efforts shall be made to minimize disturbance to the local community in their routine activities and business. Furthermore, the PAPs facing direct impacts on their business due to project activities, will be fully compensated for their loss of business.
20	Construction work will disturb the residents, shopkeepers, customers, commuters, road users and others.	To avoid the disturbance to the residents during the construction, it will be managed in segments and active locations will be isolated with corrugated iron sheets/ barricades.
21	Bill Collection is a major concern as bills are not paid properly by local community and do not become a part of any record.	There will be proper billing system and will be payable to KWSC.



Sr. No.	Concern	Response
	It must be linked with the banks. The residents are ready to pay PKR 500/HH/month.	
22	Solid waste produced during construction time is a major concern, should not be piled up in the project area.	The collection of solid waste during construction will be the responsibility of the construction contractor. The contractor will store, collect and dispose the waste to the designated site on daily basis.
23	Dust particles will create health issues to the local residents, shopkeepers, customers and commuters etc.	Water sprinkling shall be done to suppress the dust.
24	Being front business points, shopkeepers and customers of Sobanagar/ Goharabad commercial markets will face direct impacts during construction phase and their commercial activities will be disturbed temporarily.	PAPs facing direct impacts on their business due to project activities, will be fully compensated for their loss of temporary business.
Consultations Carried out in 2025		
Essa Nagri / Welfare Colony		
125	Participants expressed concern that compensation has not yet been provided despite the passage of nearly two years since the initial consultations.	The project team explained that the delay in compensation occurred primarily due to the time required for finalization of the overhead reservoir location, which subsequently affected the finalization of the water supply network design. Since compensation assessment is based on the finalized design and confirmed impacts, the process could not be completed earlier. It was clarified that the design has now been finalized and the compensation process for eligible PAPs is being completed and will be disbursed shortly in accordance with the approved resettlement provisions.
Sobanagar / Goharabad		
126	Being located at the front of commercial areas, shopkeepers and customers of the Sobanagar / Goharabad markets may face temporary impacts during the construction phase, and commercial activities could be disturbed.	The project team explained that construction activities will be planned to minimize disruption to businesses. However, in cases where shopkeepers experience direct temporary loss of business due to restricted access during construction, eligible PAPs will be compensated for the loss of business income in accordance with the approved resettlement provisions of the project.
Consultations Carried out in 2026		



Essa Nagri/ Welfare Colony		
27	Participant were concerned about the scope and duration of construction activities.	The PAPs were informed that the construction activities are undergoing and will be completed in the stipulated timelines. However, the original scope remains unchanged.
28	The participants were concerned about the temporary access issues during execution.	The participants were informed that the construction will be executed in pockets/packages and efforts shall be made to minimize the disturbance.
29	The participants enquired about the mode of lodging project related complaints.	The GRM mechanism and contact details were shared to lodge the complaints.
Sobanagar/ Goharabad		
30	PAPs expressed strong support for the project and welcomed the proposed sewerage improvements. They acknowledged the long-term environmental and public health benefits.	Compensation will be provided to eligible PAPs in accordance with the agreed Entitlement Matrix.
31	The participants from Sobanagar were concerned about the potential access issues due to ongoing water supply works from Dastageer Colony to the UC Office (UGWT location)	Participants were advised to use alternative access routes where necessary. The GRM, including complaint contact details and on-site complaint box availability, was also communicated. It was further apprised. The excavation will be approximately 1-foot-wide for HDPE pipeline installation. Given the limited trench width and sufficient road space, no disruption to businesses, shops, or residential access is anticipated.

4.6 Consultation with Government Departments

Following are the key points of consultation with government departments:

Sr. No.	Department	Points of Discussion /Apprehensions	Response
1	PIU-KWSSIP Mr. Khurram Shams (Social Development Specialist)	<ul style="list-style-type: none"> PIU-KWSSIP provided a clear understanding of the TORs of the consultancy assignment in view of Environmental and Social aspects and clearly defined the requirements of Client Discussion on field planning and effective approach to adequately cover all the field aspects and collect requisite data. 	<ul style="list-style-type: none"> Discussed scope and main features of the project with environment and social cell of PIU- KWSSIP.

Sr. No.	Department	Points of Discussion /Apprehensions	Response
	Ms. Kiran Bano (Environmental Expert) Ms. Hameeda Kaleem (Gender/Social Expert)	<ul style="list-style-type: none"> The possible constraints in data acquisition were discussed and effective way out was decided. Discussion on applicable WB policies. Discussion on criteria of PAPs identification, documentation and provision of compensations 	
2	Sindh Katchi Abadi Authority Mr. Manzoor Ahmad Chandio (Deputy Director SKAA)	<ul style="list-style-type: none"> Land was transferred through Karachi Development Authority (KDA) master plan. During meeting with Deputy Director SKAA, he mentioned that both KAs in the project area are falling under the control of SKAA. Some economic activities should be started to restore the economic values of affected persons. Social protection should be provided to the locals including skill development, trainings. Other financial assistance besides compensation should be provided to the affectees of Project area. 	<ul style="list-style-type: none"> Land acquired for the proposed project will easily be transferred through Sindh Katchi Abadi Authority (SKAA). The economic system and livelihood of local people will not be disturbed. The Katchi Abadis representatives were briefed about the social/ environmental concerns of the project. They were informed about the positive impacts and negative impacts caused due to project intervention. KAs representatives and the locals showed their full support for proposed water supply and sewer line project.
3	DMC/KMC <ul style="list-style-type: none"> Mr. Syed Shariq Ali (Incharge Anti-Encroachment of DMC East) Mr. Safdar (GIS Expert of DMC South) Mr. Shahzad Ahmad (Deputy Director Anti-Encroachment of DMC Central) Mr. Rughu Raja (DMC Kemari) 	<ul style="list-style-type: none"> Requirement of a Focal Person to collect AED related data for KWSSIP. Planning for joint surveys with Focal Persons nominated by DMC. To find out current status of AED. Requirement of data regarding AED related activities in the project area by conducting informal public consultations to ascertain the views and information from the locals including residents and business operators. 	<ul style="list-style-type: none"> Information from focal person of concerned district; Visual observations of focal persons, Consultants and KWSSIP experts at the time of screening survey; and Public consultations

4.7 Disclosure of ARP

Key features of this ARP have already been disclosed to the PAPs during group and community meetings, census and socio-economic survey and individual meetings among the PAPs, consultants and PIU-KWSSIP. However, the following steps will be undertaken for disclosure of ARP.



The Final ARP after approval from WB and KWSSIP will be disclosed to PAPs by placing it on KWSSIP website with its Urdu executive summary also disclosed and in the shape of a booklet that will serve to inform PAPs about key aspects of the compensation and entitlements established for the proposed project and the implementation and monitoring mechanisms that will ensure transparent and fair execution of these aspects.

For this purpose, an information booklet having summary of impacts, temporary business losses estimation, unit rates for compensation, eligibility criteria, compensation entitlements, compensation delivery and grievance redress mechanism with institutional arrangements for implementation of ARP will be prepared. This information booklet will be translated into Urdu and will be distributed to all the PAPs.

Furthermore, an information and awareness session will also be held in both Katchi Abadis so that the PAPs may have the necessary understanding as well as an opportunity to ask any questions they may have.



5 GRIEVANCE REDRESS MECHANISM

5.1 Grievance Redress Mechanism

The Grievance Redress Mechanism for KWSSIP will be applicable as an integral part of the ARP for Katchi Abadis, particularly in relation to the payment of compensation to PAPs. It provides a structured system for receiving, recording, reviewing, and resolving grievances arising from land acquisition, resettlement, compensation delays, eligibility issues, or any other project-related concerns.

The GRM ensures that all PAPs have accessible and transparent channels to lodge complaints related to compensation entitlements and payment processes. Complaints can be submitted through an online portal or other available means, and may be lodged in Urdu, Sindhi, or English. Anonymous submissions are also allowed to ensure inclusivity and protection of complainants.

All grievances are recorded and managed through a centralized system. A designated GRM focal person reviews each complaint, verifies relevant details including PAP identity, location, and nature of the issue, and forwards eligible cases to the relevant Project Manager for resolution. Where required, grievances may be escalated further for timely settlement. Ineligible or irrelevant complaints are documented and closed with justification.

The system ensures timely resolution of compensation-related grievances, with clear tracking and documentation at each stage. Special attention is given to ensuring that PAPs receive fair and timely compensation in accordance with the ARP provisions. The GRM also allows complaints to be submitted via phone, SMS, or written applications to ensure broader accessibility for vulnerable groups within Katchi Abadis.

5.2 Principles

A GRM is established under KWSSIP and will form an integral part of the ARP for Katchi Abadis to address any complaints arising during project implementation, particularly those related to compensation payments to PAPs, eligibility, delays, or related resettlement issues.

The GRM is designed to ensure that all grievances are addressed in a timely, fair, and transparent manner without any retribution to the complainant. PAPs and community members may raise concerns regarding perceived risks, compensation entitlements, or impacts on their livelihoods or property rights. The primary objective is the prompt resolution of issues through an accessible and accountable system.

At the first level, minor complaints are addressed on-site through Project Affected Persons Committees (PAPCs), which include community representation. These committees aim to resolve issues immediately at the field level, particularly those related to livelihood disruptions or small compensation concerns.

If a grievance cannot be resolved at the site level, it is escalated to the GRC at the site level, which includes project staff and community members. The GRC reviews the complaint,



facilitates dialogue between the parties, and ensures resolution in a fair and locally appropriate manner.

Unresolved or complex cases may be further escalated to the higher-level GRC at the PIU-KWSSIP level, comprising senior management, for final review and decision. All grievances are formally recorded, tracked, and documented, including details of the complainant, nature of the complaint, actions taken, and final resolution.

This tiered GRM structure ensures that compensation-related grievances under the ARP are addressed efficiently, transparently, and in line with project safeguard requirements.

5.3 Objectives

The GRM under KWSSIP, as integrated into the ARP for Katchi Abadis, provides a predictable, transparent, and accessible process for addressing grievances related to compensation, resettlement, and project implementation impacts. The mechanism ensures that grievances from PAPs are handled in a fair, timely, and accountable manner, with clear documentation and resolution tracking.

The specific objectives of the GRM are as follows:

- To provide PAPs and other stakeholders an accessible mechanism to lodge complaints related to compensation, eligibility, payment delays, and resettlement impacts.
- To ensure that all grievances are addressed in a fair, transparent, and timely manner through a structured, multi-tier process.
- To support smooth ARP implementation by promptly resolving compensation-related and livelihood restoration issues.
- To serve as an early warning system for project management by identifying recurring or systemic issues requiring corrective action.
- To enhance accountability and trust in project implementation through effective stakeholder feedback and response mechanisms.

5.4 Type of Complaints

During implementation of project activities under KWSSIP and ARP execution in Katchi Abadis, PAPs and community members may raise complaints related to both resettlement and construction-related impacts. These may include, but are not limited to:

- Delays or disputes in compensation payments to PAPs;
- Eligibility and entitlement-related concerns under the ARP;
- Temporary or permanent livelihood and business disruptions;
- Damage to water supply infrastructure or intermittent water supply during civil works;
- Damage or blockage of sewerage lines;
- Sewage overflows due to construction or choked systems;
- Dust, noise, and air pollution during construction activities;
- Traffic disruption and access constraints;
- Temporary relocation of mobile vendors; and



- Gender-Based Violence (GBV), harassment, or related safety concerns.

5.5 Lodging of Complaint

The complainant may lodge grievances through multiple accessible channels to ensure ease of reporting and inclusivity, particularly for PAPs under the ARP in Katchi Abadis. The available modes include:

- Submission of a prescribed grievance form available on the KWSSIP website under the GRM section;
- Submission of written complaints by post to the designated PIU-KWSSIP address;
- Lodging complaints through a dedicated telephone line, which will be received and recorded by the GRM focal officer;
- Submission of grievances via complaint boxes installed at project work sites;
- Use of the KWSSIP online e-portal, which is mobile-friendly and easily accessible; and

5.6 Disclosure of GRM

The GRM shall be disclosed at PIU-KWSSIP, KWSC head offices, and concerned Executive Engineer (XEN) and Superintendent Engineer (SE) offices, KWSSIP website as well as on sub-projects sites.

5.7 Structure of Grievance Redress Mechanism

The project will implement a multi-tier GRM with clearly defined responsibilities at different levels to ensure efficient, transparent, and timely resolution of complaints arising during implementation, particularly under the ARP in Katchi Abadis.

The GRM will consist of two main tiers:

- **Tier 1: Community and Management Level (Integrated Level)**
This tier combines the community and site management functions. It includes PAPCs and designated GRM focal persons (one male and one female) at the community level, along with contractors and site managers at the management level. This tier is responsible for receiving, recording, and resolving minor grievances at the site level, particularly those related to livelihood disturbances, construction impacts, and preliminary compensation-related concerns. Issues that cannot be resolved at this level are escalated to the next tier. The notification of the committee is attached as **Annex – VII**.
- **Tier 2: PIU Level Grievance Redress Committee (GRC)**
The PIU-level GRC, comprising higher management, is responsible for reviewing escalated grievances, ensuring compliance with ARP provisions, and making final decisions on complex or unresolved cases, particularly those related to compensation disputes and eligibility issues. This level also includes a dedicated GBV committee responsible for handling sensitive complaints related to gender-based violence and harassment, ensuring confidentiality and appropriate referral mechanisms.



This streamlined two-tier system ensures efficient resolution at the lowest possible level while maintaining a robust escalation mechanism for complex and sensitive grievances. The notification of the committee is attached as **Annex – VII**.

A. Community and Management Level GRC

For effective field-level coordination with PAPs and the local community, a combined community and site management level GRM will be established separately at Essa Nagri / Welfare Colony and Sobanagar / Goharabad. This integrated level serves as the first point of contact for grievance receipt, recording, and resolution.

At the community level, PAPCs will be formed to maintain close liaison with affected persons and facilitate information sharing throughout project implementation. PAPCs will provide a platform for PAPs and community members to raise concerns, particularly those related to livelihood impacts, minor disturbances, and compensation-related queries under the ARP.

Two (02) GRC committees have been nominated separately for both the Katchi Abadis and comprise the following members:

- Consultant's Resident Engineer
- Consultant's Social Development Specialist
- Two female member from the local community
- Two male members from PAPs.
- CBO-based representative
- Social Development Specialist (PIU-KWSSIP)
- Gender Specialist (PIU-KWSSIP)
- Environmental Specialist (PIU-KWSSIP)

At the management level, contractors and site managers will designate GRM focal persons responsible for receiving and addressing grievances that cannot be resolved at the community level. This integrated mechanism ensures that minor issues are resolved at source, while more complex issues are escalated to higher levels.

Grievances at this combined level will be reviewed and resolved preferably within five (5) days of receipt, particularly those related to compensation clarification, livelihood disturbances, and construction-related impacts.

B. PIU Level GRC

A GRC at the PIU level will function as the final escalation level for unresolved or complex grievances, particularly those related to compensation disputes, eligibility under the ARP, and sensitive social issues.

The PIU-level GRC will have the following composition:

- Project Director KWSSIP (Chairperson);



- Project Manager Katchi Abadis (PIU-KWSSIP)
- Social Development Specialist (PIU-KWSSIP);
- Gender Specialist (PIU-KWSSIP);
-
- Environmental Specialist (PIU-KWSSIP);

The PIU GRC will acknowledge complaints, review records from lower tiers, conduct field verification where required, and seek additional evidence from complainants. After thorough review, the GRC will issue a decision within 30 days of receipt of the complaint.

If the complainant is not satisfied with the decision of the PIU GRC, they retain the right to seek legal recourse through the court of law.

Gender representation will be ensured in the GRM structure through the inclusion of female members at both community and PIU levels. The mechanism ensures accessible, transparent, and accountable grievance handling in line with ARP requirements and good international practice.

5.8 Grievance Redress Procedure

The objective of the GRM is to resolve complaints at the earliest possible stage and at the lowest appropriate level, in order to prevent minor issues from escalating into major grievances. At any stage of the process, the complainant retains the legal right to seek remedy through the court of law in accordance with applicable legislation.

The GRM under KWSSIP operates through a structured, multi-tier system comprising a combined Community and Management Level (PAPCs and site management) and a PIU-level GRC as the final escalation stage.

All grievances received through any channel will be screened, categorized, and recorded in the Community Complaints Register (CCR), including details such as name and contact of complainant, date of complaint, nature of grievance, and action taken.

At the first level, PAPs Committees (PAPCs) and site-level GRM focal persons (contractor/management) will address and resolve complaints where possible, particularly those related to minor compensation concerns, livelihood disturbances, and construction-related impacts. The GRM focal staff will acknowledge receipt of complaints within one (1) day and initiate immediate review.

Where required, field verification will be carried out by safeguards and engineering staff in consultation with the complainant and local community. A fact-finding process will preferably be completed within ten (10) days of receipt of the complaint.

Unresolved or escalated grievances will be reviewed by the PIU-level GRC. The GRC will convene a formal meeting within twenty (20) days of complaint receipt to hear the complainant, review findings, and deliberate on the matter. The decision and recommendations will be



communicated to the complainant in a clear and understandable format, and all proceedings will be properly documented.

If the PIU-level GRC is unable to resolve a grievance due to technical or administrative constraints, or if the complainant remains dissatisfied, the case will be referred for appropriate resolution and/or legal recourse. The PIU GRC will ensure that all grievances are addressed within a maximum period of thirty (30) days, and complainants will be kept informed of progress throughout the process.

Figure 5.1 below shows the step-by-step multi-tier grievance redress process from complaint submission through PAPC and GRC levels to final resolution or legal recourse within defined timelines.

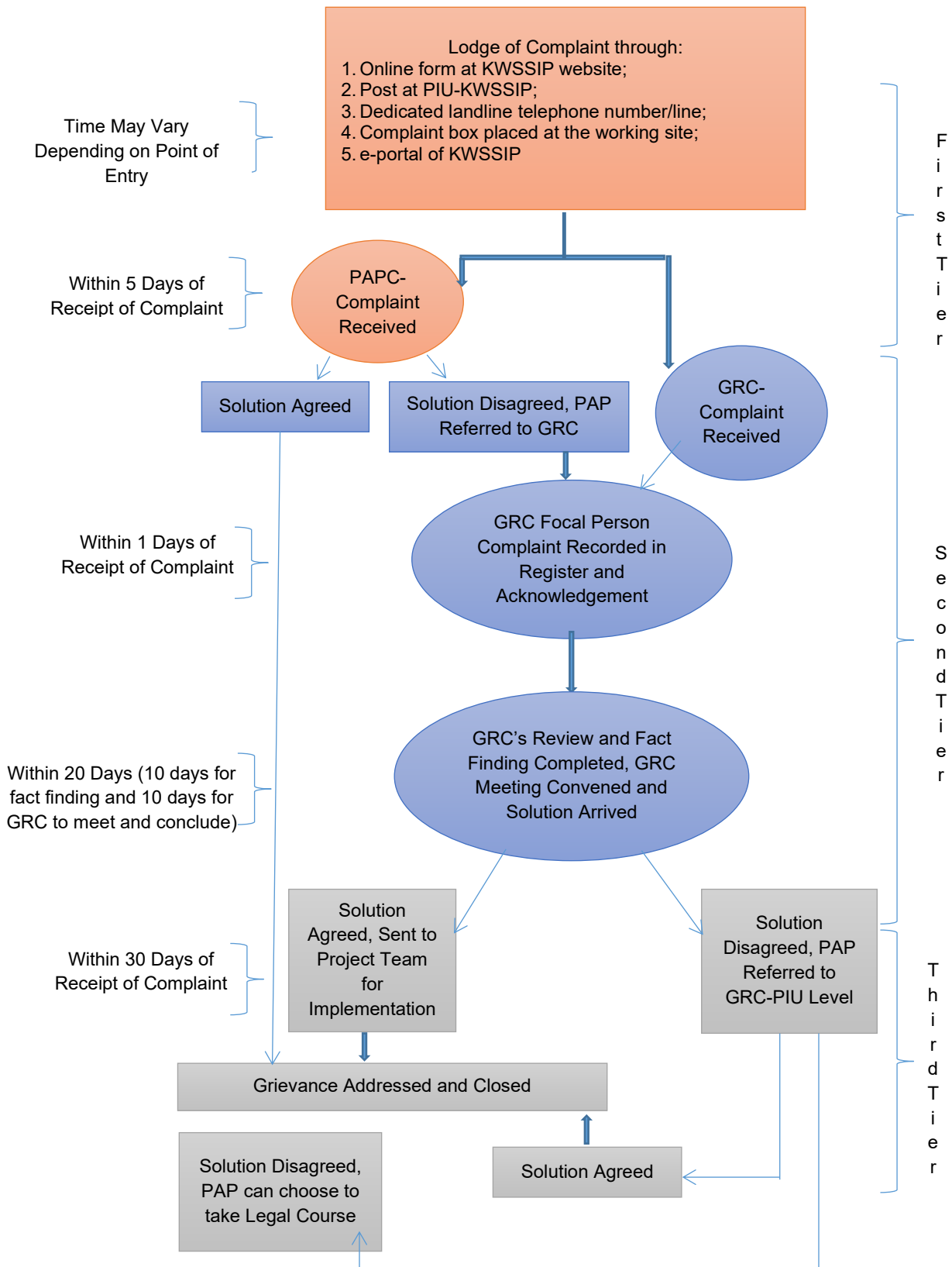


Figure 5.1: Grievance Process and Time Frame



6 LEGAL AND POLICY FRAMEWORK

6.1 General

This section describes national, local laws and regulations and World Bank Policy requirements that apply to the project. It also describes business/ livelihood losses compensation policy for the proposed project.

6.2 Land Acquisition Act (LAA), 1894

The Land Acquisition Act 1894 (LAA 1894) with its successive amendments is the main law regulating land acquisition for public purpose at federal and provincial levels through the right of exercise of eminent domain. The LAA has been variously interpreted by provincial governments, and some provinces have augmented the LAA by issuing provincial legislations. However, this Act is not relevant since no privately owned land will need to be acquired for the proposed project.

Based on the LAA, only legal owners and tenants registered with the Land Revenue Department or with formal lease agreements are eligible for compensation/ livelihood support. For those without title rights, there are no laws in Pakistan either at federal level or in the province of Sindh. For the PAPs facing temporary impact of losing business/ livelihood due to construction activities there is no provision in the LAA for their compensation of losses.

6.3 Sindh Resettlement and Rehabilitation Policy 2022

The provisions of the Sindh Resettlement and Rehabilitation Policy 2022 have also been reviewed while updating this ARP. In line with the policy, compensation for temporary livelihood disturbances resulting from restricted access during construction will be provided to affected shopkeepers and workers. The policy recognizes income restoration support for affected persons, particularly those operating small businesses in dense urban settlements such as katchi abadis. Accordingly, the project will provide compensation based on the verified duration of livelihood disruption, consistent with both the project's entitlement framework and the principles outlined in the Sindh R&R Policy 2022, ensuring that PAPs are adequately supported during the temporary construction period.

6.4 World Bank OP 4.12 on Involuntary Resettlement

The World Bank policy on involuntary resettlement (OP 4.12) covers physical displacement (relocation, loss of residential land, or loss of shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions of access to means of livelihood resulting in adverse impacts on the livelihood of the displaced persons.

OP 4.12 establishes requirements of the World Bank for managing involuntary resettlement. This Policy deals with the issues and concerns relating to involuntary resettlement due to the development projects and provides principles and guidelines to mitigate the adverse impacts



on the local community, particularly their relocation/ displacement. The Bank's experience indicates that involuntary resettlement under development projects, if unmitigated, often gives rise to severe economic, social, and environmental risks: production systems are dismantled; people face impoverishment when their productive assets or income sources are lost; people are relocated to environments where their productive skills may be less applicable and the competition for resources greater; community institutions and social networks are weakened; kin groups are dispersed; and cultural identity, traditional authority, and the potential for mutual help are diminished or lost. This policy includes safeguards to address and mitigate these impoverishment risks. The policy provides basis for the development/ preparation of Resettlement Policy Framework and Resettlement Plan, in order to address the involuntary resettlement. The main objectives of Bank's safeguard policies are to:

- Involuntary resettlement should be avoided where feasible, or
- Minimized, exploring all viable alternative project designs.
- Where it is not feasible to avoid resettlement, resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the persons displaced by the project to share in project benefits.
- Project affected persons should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs.
- Project affected persons should be assisted in their efforts to improve their livelihoods and standard so living or at least to restore them, in real terms, to pre- displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.

The World Bank Operational Policy (OP 4.12) on Involuntary Resettlement will be applicable to the Project. The main features of the policy are based on the following principles:

- The need to screen the project early on in the planning stage,
- Carry out meaningful consultation,
- At the minimum restore livelihood levels to what they were before the project,
- Improve the livelihoods of affected vulnerable groups (iv) prompt compensation at full replacement cost and provide displaced people with adequate assistance, ensure that displaced people who have no statutory rights to the land that they are occupying are eligible for resettlement assistance and compensation for the loss of non-land assets and
- Disclose of all reports.

Project affected persons will be:

- Compensated at full replacement cost prior to the actual relocation
- Assisted with relocation;
- Assisted and supported during the transition period;
- Particular attention will be given to vulnerable groups;
- Communities in different level will be given opportunities to participate in planning, implementing and monitoring their resettlement;



- Resettlement will be linked to the main project implementation schedule, so that Project Affected People should be resettled and or compensated before construction or sector activities;
- There will be adequate measures of monitoring and evaluation; and
- The methodology to be used in valuing losses to determine their replacement cost; and a description of the proposed types and levels of compensation under local law and such supplementary measures as are necessary to achieve replacement cost for lost assets.

The proposed project will not result in any physical displacement; however, it will involve temporary business/ livelihood losses to the shopkeepers due to the construction activities. Therefore, the affected persons will be provided with business/ livelihood support and in case of being vulnerable, will be provided vulnerability allowance.



7 ELIGIBILITY AND ENTITLEMENT MATRIX

7.1 General

This section defines affected persons' entitlements and eligibility, and describes all resettlement assistance measures in terms of an entitlement matrix; identify and document the PAPs who will be eligible for transitional livelihood support; specifies all assistance to vulnerable groups, including women, and other special groups; and outlines opportunities for PAPs to derive appropriate development benefits from the project.

7.2 Compensation Eligibility

PAPs are identified as persons whose land, structures/ assets and livelihood are directly affected by the project. The eligible PAPs for compensation or at least rehabilitation provisions under the Project are:

- PAPs losing business, income/ livelihoods and employment of workers or a person or business suffering temporary effects, such as disturbance to business operations temporarily during construction; and
- Vulnerable affected persons identified through the social impact assessment.

7.3 Cut-off Date

The census of PAPs was started on April 23, 2022, which was considered the cut-off date for compensation. However, the construction period was delayed, therefore, the PAPs were revalidated in August 2024, therefore August 23, 2024 is considered as the new cut-off date. For the additional works i.e. Street No. 04 works in Essa Nagri / Welfare Colony, PAPs survey was conducted on April 06, 2026, therefore this is considered as the cut-off date for Street No. 04. For the four additional streets in Soba Nagar, consultations and surveys commenced on 09 December 2025, while for the Soba Nagar water tank to water main connection pipeline, surveys commenced on 24 December 2025. No PAPs were identified during the surveys of these streets or along the connection pipeline alignment; therefore, 09 December 2025 shall be considered the cut-off date for the four additional streets, and 24 December 2025 shall be considered the cut-off date for the connection pipeline. People who move into the project area after the cut-off date are not eligible for compensation or other rehabilitation measures provided by the project.

7.4 Eligibility for Livelihood Loss Compensation

Eligibility for compensation considered for shopkeepers who are running shops along the alignments of water supply and sewerage lines will face the loss of their businesses due to restricted access due to construction activities and will be economically disturbed temporarily during construction stage. All the 203 PAPs will be eligible for compensation due to temporary business loss and none will be relocated.

To compensate all identified business losses, the entitlement provisions are proposed below:



7.4.1. Business/ Livelihood Allowance for the Shopkeepers

Out of the total 203 PAPs, 193 are the shopkeepers facing temporary impact of restricted access to their businesses due to the construction activities. Out of these, 164 shopkeepers belong to Essa Nagri / Welfare Colony, whereas 29 belong to Soba Nagar / Gohrabad. These shopkeepers will be provided with a cash compensation as per the provisions of RPF of SMF KWSSIP, the owner of a business will receive cash compensation equal to lost income during period of business interruption for 3 months based on tax record or, in its absence, comparable rates from registered businesses of the same type with tax records, or computed based on officially designated minimum wage rate.

7.4.2. Employment Losses

A total of 10 employees will be compensated in accordance with the provisions of the RPF of the SMF-KWSSIP, which provide that loss of employment due to construction activities among employees of affected businesses shall be compensated through cash compensation equal to lost wages at comparable rates as of employment record for a period of 3 months or in absence of record computed based on official minimum wage rate.

Accordingly, compensation for employment loss has been estimated for three months on the basis of the officially designated minimum wage rate, as tax-based lost income are unknown. Out of the total affected employees, 07 belong to Essa Nagri/Welfare Colony, while 03 belong to Soba Nagar/Goharabad.

7.4.3. Vulnerable PAPs

Special assistance will be provided to 17 vulnerable PAPs, including persons with disabilities, women-headed business, and PAPs earning below the minimum wage threshold/rate. All the 17 vulnerable PAPs belongs to Essa Nagri / Welfare Colony. These vulnerable PAPs will receive additional support corresponding to three (03) months of the minimum wage rate announced by the Government, over and above their entitled compensation.

7.5 Entitlement Matrix

Based on the above discussed eligibility criteria and compensation entitlements and keeping in view the nature of losses, an Entitlement Matrix (EM) has been prepared as provided in **Table 7.1**.

Table 7.1: Entitlement Matrix

Type of Loss	Application	Categories of PAPs	Compensation Entitlement
Income Restoration & Rehabilitation Assistance for the temporary Loss of Business and Income/ Livelihood	Temporary loss of business and source of income/ livelihood due to restricted access	Shopkeepers (193 Nos)	Cash compensation equal to lost income during period of business interruption for 3 months based on tax record or, in its absence, comparable rates from registered businesses of the same type with tax records, or computed based on officially designated minimum wage rate.
Employment losses	Employees losing their employment temporarily	Employees (10 Nos)	Cash compensation equal to lost wages at comparable rates as of employment record for a period of 3 months (if temporary) or in the absence of record computed based on the officially designated wage rate.
Assistance to vulnerable	All vulnerable PAPs (17 Nos)	PAPs with disability or women headed HHs or income below the minimum wage rate	Additional assistance will be provided equivalent to three (03) months of the minimum wage rate announced by the Government, over and above their entitled compensation.
Unidentified losses	Unanticipated impacts	All PAPs	Dealt with, as appropriate during project implementation according to the WB Policy and ARP provisions.

In case livelihood disruption exceeds three (03) months due to implementation delays, additional top-up payments will be calculated based on the actual duration of livelihood loss. These payments will be financed from the 15% contingency provision included in the ARP budget.



8 VALUATION AND COMPENSATION FOR LOSSES/ RESETTLEMENT BUDGET

8.1 Introduction

This section describes the methods used in valuation of compensation rates and resettlement budget for temporary loss of livelihoods/ businesses due to restricted access during construction stage and the PAPs eligible for compensation consistent with the Local Laws / Regulations and the World Bank Policy on Involuntary Resettlement (OP 4.12).

8.2 Inventory of PAPs

In order to prepare for compensation and other resettlement benefits, it is imperative that affected persons inventory for the project components is prepared. Such an inventory was prepared in both the KAs during the survey of the PAPs was carried out in April 2022 and PAPs revalidation was carried out in August 2024 and in April 2026 for the additional PAPs identified in Essa Nagri/ Welfare Colony (Street No. 4). Detailed list of PAPs is attached as **Annex – VIII** and photolog of consultation meetings is attached as **Annex – IX**.

8.3 Compensation Costs

The ARP provides for income restoration and rehabilitation assistance to address temporary livelihood impacts resulting from construction activities. In cases where shopkeepers experience temporary loss of business due to restricted access during pipeline installation, cash compensation will be provided equivalent to the 3 months based on minimum wage rate. A total of 193 shopkeepers have been identified under this category. Similarly, employees who may temporarily lose their source of income due to disruption of business operations will be compensated for the period of 03 months based on the minimum wage rate; 10 such employees have been identified. In addition, special assistance will be provided to 17 vulnerable PAPs, including persons with disabilities, women-headed business, and PAPs earning below the minimum wage threshold/rate. These vulnerable PAPs will receive additional support corresponding to three (03) months of the minimum wage rate announced by the Government of Sindh, over and above their entitled compensation.

A. Business Loss Allowance

The project will have temporary impact of restricted access for shopkeepers due to construction activities and the affected shopkeepers will face loss of income/livelihood temporarily for which they will be compensated. As per census data, a total of 203 PAPs will face this impact. Out of these, 193 PAPs are shopkeepers and 10 PAPs are working as employees.

The affected shopkeepers represent a range of livelihood categories typical of dense urban settlements. Compensation for temporary loss of business and livelihood has been determined in accordance with the provisions of Entitlement Matrix (aligned with SMF 2019). The provision further states that where tax-based lost incomes are unknown, the officially designated minimum wage rate shall be used as the base rate to compute compensation for affected households.



During the socio-economic survey and impact assessment, the affected shopkeepers did not provide verifiable business turnover or tax records. Accordingly, compensation for temporary loss of business and livelihood has been determined on the basis of the officially notified minimum wage rate issued by the Government of Sindh.

B. Vulnerability Allowance

In addition to business and employment-related livelihood restoration measures, a Vulnerability Allowance will be provided to support the vulnerable PAPs. This assistance corresponds to three (03) months of the minimum wage rate announced by the Government of Sindh, over and above their entitled compensation.

A total of **17 PAPs** fall under this category. A total of **PKR 2.04 million** will be paid to the vulnerable PAPs falling in skilled category.

- **Monitoring and Evaluation**

Monitoring and evaluation of the ARP implementation process is required for fair compensation and the associated cost will be covered in the overall project cost.

- **Administration Cost**

Administration cost for the implementation of ARP is also required and provided in the budget amounting to **PKR 2.64 million** equivalent to 10% of the total cost.

- **Contingencies**

Contingencies cost equivalent to 15% has been added to cover various unforeseen/ contingencies expenditure for ARP implementation and inflation which amounts to **PKR 3.96 million**.

- **Taxes**

Federal or provincial taxes are not applicable on any item included in compensatory package.

8.4 Summary of Budget Estimates

The summary of total estimated funds for compensation costs amounting to **PKR 33.00 million** is given in **Table 8.4**.



Table 8.4: Revised Summary of Resettlement Budget Estimates

Sr. No.	Description	Quantity/Number (PAPs)	Unit Rate (PKR)	Duration (Months)	Total Cost (PKR)	PKR (Million)	Remarks
A							
1	Compensation for loss of business	203	40,000	3	24,360,000	24.36	
B	Vulnerability Allowance			Months			
	Vulnerability Allowance	17	40,000	3	2,040,000	2.04	
Sub-total (A+B)					26,400,000	26.40	
C	Monitoring and evaluation						The associated cost will be covered in the overall project cost.
D	Administrative cost @ 10% of the total cost				2,640,000	2.64	
E	Contingencies @ 15% of the total cost				3,960,000	3.96	
Grand Total					33,000,000	33.00	



8.5 Resettlement Funding/ Financing Plan

The PD KWSSIP will be responsible for ensuring the prompt provision and efficient flow of the budgeted funds for resettlement to the project. The PD will ensure that compensation is adequately funded and carried out in accordance with applicable rules and the present framework agreed by the affected family. The PD will make compensation payments to PAPs in the project area.



9 INSTITUTIONAL ARRANGEMENTS

9.1 Institutional Arrangements

The institutional requirements for the planning, implementation and supervision of the compensation, resettlement and rehabilitation functions of various institutions and agencies involved at different levels are described as under:

- KWSC
- Project Implementation Unit (PIU-KWSSIP)
- PIU-KWSSIP E&S Team
- Grievance Redress Committee (GRC)
- Supervision Consultants (SC)
- The Contractor
- Independent Monitoring Agency (IMA)
- PAPs Committee

9.2 KW&SC

KW&SC is the Implementing Agency (IA) and has the overall responsibility for the implementation of ARP with World Bank approval.

9.3 Project Implementation Unit (PIU), KWSSIP

At Project level, KW&SC will exercise its functions through the PIU-KWSSIP which has been created for the implementation of the investment program under the Project. The PIU-KWSSIP will be responsible for general project execution of the project and streamline the safeguards related tasks of different subprojects headed by the PD. The PIU-KWSSIP will ensure compliance with the national as well as WB environmental and social safeguard requirements including preparation and implementation of ARP.

The PD carrying full administrative and financial authority under the Project Management guidelines of the Planning Commission will be the lead person for implementing the safeguards instruments for all subprojects and for maintaining regular contact with local community and authorities. The PIU-KWSSIP will collect information and progress on social safeguards compliance including this ARP through SDS, which will be tasked with day-to-day project related activities at project and sub-project level.

For the purpose of this Project, the PIU-KWSSIP has already been established with a view to serve as a nodal point to provide technical backstopping with regards to safeguards management for all KWSSIP subprojects and has the overall responsibility for planning, implementation and supervision of safeguard functions including this ARP.

The PIU-KWSSIP will keep a close liaison with the World Bank safeguards team to seek clarity and guidance on safeguards requirements of the Project and will oversee the supervision consultants for preparation of safeguard documents including the ARP. PIU-KWSSIP will



ensure quality of safeguards documents prepared by the consultants and shall forward all such documents to the World Bank for review, clearance and disclosure. The role of PIU-KWSSIP will include but will not be limited to the following activities:

- Coordinate with the provincial government, Planning & Development Department, Board of Revenue and other line departments;
- Coordinate with the supervision consultants and keep an oversight to facilitate them during impact assessment, census and socio-economic surveys and consultations with PAPs during for ARP preparation. This is to ensure consistency of approach and avoid variation in information obtained and given and to address issues immediately as they arise on site;
- Ensure that the ARP preparation and implementation conforms to RPF provisions and that the impacted assets are accurately assessed and linked to the respective PAPs;
- Coordinate with supervision consultants, Board of Revenue (where relevant) and other relevant line departments and units in KWSC to streamline resettlement planning activities;
- Review ARP, coordinate with the World Bank during the review and approval process, ensure timely disclosure of approved ARPs on KWSSIP Website, and translate the Summary ARP in local language for disclosure to PAPs;
- Preparation of ARP implementation progress and ensure timely preparation of quality monitoring reports. The monitoring reports will be internally reviewed to ensure that quality final reports are shared with World Bank for review and acceptance. Ensure timely disclosure of approved ARP and monitoring reports on the KWSSIP Website; and

9.4 PIU-KWSSIP E&S Team

As a specialized company, the KWSC has been entrusted with the responsibility to lead in delivering the mandate of the KWSSIP. To address the limited implementation capacity of KWSC, the E&S Cell is established within the KWSSIP. The E&S team of PIU-KWSSIP includes an Environmental Specialist and Social Development Specialist . The Team will be responsible for grievance redress, organization of training programs on social management aspects and the successful implementation of ARP related activities.

The key role of the PIU-KWSSIP ES Cell will be the planning and implementation of resettlement activities of subprojects (in accordance with the provisions laid out in this ARP) through supervision consultants. The reports will be submitted to the World Bank for approval.

For implementation of this ARP, the role and responsibilities of the E&S team will be as follows.

- The unit shall act as a steering body for the ARP activities at the project and shall formally assemble once in a month for routine resettlement matters to review ARP planning and implementation issues. Special meeting/routine discussions can take place, as and when required;
- It shall coordinate with WB and share resettlement planning, implementation and monitoring progress reports as and when required and discuss the ARP issues to seek guidance on WB policy requirements and ensure the resettlement planning and implementation is consistent with WB safeguards requirements.



- It shall ensure timely implementation of resettlement activities and monitor the progress thereon during execution of the civil works and shall share ARP implementation progress and monitoring reports with WB.
- The unit shall coordinate on regular basis with the resettlement staff, grievance redress committees, established at site level to provide guidance and support in resettlement implementation and grievances redress in a manner consistent with WB safeguards requirements.

9.5 Supervision Consultants (SC)

KWSSIP has engaged a Supervision Consultants (SC) having adequate human resources for assisting PIU-KWSSIP in planning and preparation of safeguard documents in addition to the implementation and monitoring of ARP. The Supervision Consultants with a team of qualified social development specialist and experienced enumerators and surveyors has carried out the impact assessment, census, social surveys and conducting consultations during project design stage to facilitate the PIU-KWSSIP in the preparation of ARP based on the detailed design of the proposed project. SC will also assist PIU-KWSSIP in preparation and updating of ARP and internal monitoring of ARP. The social team of the SC will work on intermittent basis and perform the following activities;

- Coordination with the PAPs for submission of compensation claims;
- Preparation and processing of compensation claims as per ARP provisions;
- Stakeholders' consultations and information dissemination on project implementation and compensation delivery;
- Monitoring of day-to-day ARP implementation, identifications of implementation lags and issues, suggests corrective measure to update implementation plan for overcoming the lagging components in ARP implementation; and
- Preparation of ARP implementation progress (monthly) reports for review of ES Cell-PIU-KWSSIP as well as periodic internal monitoring reports to be shared with WB for review and concurrence.

9.6 The Contractor

The contractor(s) to be employed to undertake construction works will also have a role to play in the implementation of the subprojects. The contractor's role will include the following:

- Develop a work plan based on the social safeguards;
- Submit the plan of work and schedule to the PIU-KWSSIP;
- Conduct trainings and create awareness for all personnel and community on relevant social safeguard measures; and
- Submit implementation reports on social safeguards to the PIU-KWSSIP.

9.7 Independent Monitoring Agency (IMA)

KWSSIP will hire an Independent Monitoring Agency (IMA) or an individual expert to conduct independent monitoring and evaluation for the implementation of the ARP. The IMA shall review the implementation progress throughout the ARP implementation and the internal



monitoring reports (IMR) prepared by PIU-KWSSIP, evaluate the level of achievement of ARP objectives, identify gaps (if any), and propose remedial measures for implementation. The IMA shall be a firm or individual hired either for the entire Project under the investment or for individual sub-projects.

An institutional set-up involved in social safeguard management at project-level is presented in **Figure 9.1**.

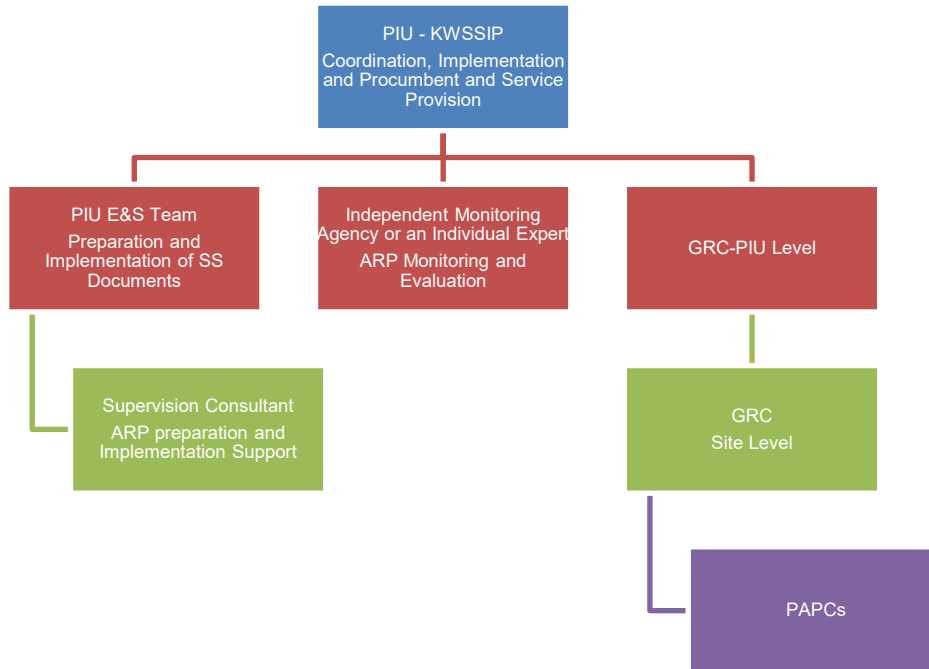


Figure 9.1: Organogram for Project Social Safeguards Compliance



10 IMPLEMENTATION SCHEDULE

10.1 General

Implementation of ARP consists of compensation to be paid to the PAPs for business losses/ livelihoods occurring due to the restricted access owing to the construction activities. The time for implementation of ARP will be scheduled as per the overall project implementation. All activities related to resettlement are planned to ensure that compensation is paid prior to displacement and commencement of civil works. Public consultation, internal monitoring and grievance redress will be undertaken intermittently throughout the project duration. However, the schedule is subject to modification depending on the progress of the project activities.

10.2 ARP Implementation Schedule

A composite implementation schedule for ARP activities in the subproject including various sub tasks and time line matching with civil work schedule is prepared and presented in the form of Table 10.1. However, the sequence may change or delays may occur due to circumstances beyond the control of the project and accordingly the time can be adjusted for the implementation of the plan.

Table 10.1: Tentative Implementation Schedule of ARP

S. No.	Action	Responsibility	Date of Task Completion
1	Approval of ARP	World Bank	21-05-2026
2	Urdu Translation and disclosure of ARP	PIU-KWSSIP	22-05-2026
3	Grievance Redress Mechanism		
3a	Notification of GRC (Site Level)	PIU-KWSSIP	11-05-2026
3b	Notification of PIU-KWSSIP-GRC	PIU-KWSSIP	11-05-2026
3c	Notification of PAPs Disbursement Committee (Annex - X)	PIU-KWSSIP	13-05-2026
5	Distribution of Notices to PAPs for Payment of Compensation		
5a	Notices to PAPs to receive compensation	PIU-KWSSIP	01-06-2026
5b	Payment of compensation	PIU-KWSSIP	04-06-2026 to 15-06-2026
5c	Submission of ARP completion report	PIU-KWSSIP	22-06-2026



11 MONITORING AND REPORTING

11.1 Need for Monitoring and Reporting

Monitoring is a periodic assessment of planned activities providing midway inputs. Monitoring and reporting are critical activities in involuntary resettlement, which helps in assessment of implementation progress, rescheduling key actions to meet the objective timelines, early identification of issues, resolve problems faced by the PAPs and develop solutions immediately to meet resettlement objectives. The monitoring mechanism for this project will have both internal monitoring (IM) and external monitoring (EM). Internally, the ARP implementation for the project will be closely monitored by the KWSC through the PIU-KWSSIP- ES Cell; while for external monitoring the services of an independent external monitoring agency will be hired.

11.2 Internal Monitoring

One of the main roles of PIU-KWSSIP will be to see proper and timely implementation of all activities in ARP. Monitoring will be a regular activity to ensure timely implementation of ARP activities. PIU-KWSSIP's Social Development Specialist (SDS) will collect information from the project site about implementation status of key activities, process and integrate the data in the form of monthly report to assess the progress and results of ARP implementation. And in case of delays or any implementation problem, adjust its work program accordingly. The SC will assist the PIU-KWSSIP in the internal monitoring and preparation of IMRs for onward submission to WB.

Internal Monitoring (IM) indicators will relate to process outputs and results. The IM reports will be shared with World Bank on quarterly basis and shall be consolidated in the quarterly supervision consultants' progress reports for WB. Specific IM benchmarks will be based on the approved ARP and cover the following:

- Information campaign and consultation with PAPs;
- Status of payments of business/ livelihood allowance for loss of income;
- Ensure the gender mitigation measures are adhered to during the internal monitoring and reporting process; and
- Status of GRM and complaint resolution details.

The above gender disaggregated information will be collected by the SDS at PIU-KWSSIP, which will monitor the day-to-day resettlement activities of the project through the following instruments:

- Review of census information for all PAPs;
- Consultation and interviews with PAPs;
- Key informant interviews; and
- Community public meetings.



11.3 Monitoring by External Monitoring Agency

The PIU-KWSSIP will engage qualified and experienced IMA to verify the PIU-KWSSIP's monitoring information. IMA will be mobilized on intermittent bases when project implementation is commenced after Bank clearance of ARP to monitor ARP implementation and provide bi-annual monitoring reports. The main objective of this monitoring is to monitor ARP implementation, identify issues and recommend corrective measures. The external monitor will review the IM reports, collect information from the field and determine whether resettlement objectives and goals have been achieved, more importantly whether livelihoods and living standards of PAPs have been restored/ enhanced and suggest suitable recommendations for improvement. The external monitor will identify the gaps in ARP implementation and advise the PIU/KWSSIP on safeguard compliance issues. The key tasks during external monitoring will include:

- Review and verify internal monitoring reports prepared by PIU-KWSSIP;
- Review of the socio-economic baseline, census and inventory of losses of PAPs;
- Impact assessment through social surveys of the affected persons;
- Consultations with PAPs, officials, community leaders for preparing review report;
- Verification of compliance of ARP implementation; and
- Review of adherence to the gender mitigation measures during monitoring period.

The following will be considered as the basis for indicators in external monitoring and evaluation of the project:

- Socio-economic conditions of the PAPs in the post-resettlement period;
- Communications and reactions from PAPs on entitlements, livelihood allowance;
- Quality and frequency of consultation and disclosure;
- Changes in income levels;
- Rehabilitation of vulnerable groups; and
- Grievance procedures, including recording, reporting, processing and redress of grievances.

Based on the external monitor's report, if significant issues are identified, a corrective action plan (CAP) to take corrective action will be prepared, reviewed and approved by World Bank and disclosed to affected persons. The internal and external monitoring and reporting will continue until all ARP activities have been completed.

11.4 Reporting Requirements

The PIU-KWSSIP will forward to World Bank a consolidated quarterly ARP monitoring report. This will also determine whether resettlement goals have been achieved, more importantly whether livelihoods have been restored/ enhanced and suggest suitable recommendations for improvement. Additionally, World Bank will monitor project on an ongoing basis until a project



completion report is issued and all ARP actions have been implemented. All the resettlement monitoring reports will be disclosed to PAPs as per procedure followed for disclosure of ARP by the KWSSIP and will be available at KWSSIP. Upon successful completion of compensation process, the PIU-KWSSIP will submit t a consolidated ARP completion report and upon approval, it will be disclosed at the KWSSIP website.