



**WORLD BANK GROUP**

Urban, Disaster Risk Management, Resilience & Land

# TRANSFORMING NEIGHBORHOODS IN KARACHI

## KARACHI NEIGHBORHOOD IMPROVEMENT PROJECT

**PARTNERS: PROVINCE OF SINDH AND THE CITY OF KARACHI**

**DURATION: 2017-2021**

**FINANCE: US\$86 MILLION**

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## AT A GLANCE

Country: Pakistan

Total population: 212.2 million (2018)

Urban population (% of total population): 37

Urban population growth (annual %): 2.7

Population living in informal settlements: Over 50% in Karachi, the largest city in Pakistan

## 1. CONTEXT: A MEGACITY WITH MULTIPLE CHALLENGES

Pakistan is the sixth most populous country in the world with an estimated 212 million people. Urban residents account for 36% of the total, and 18% of them live below the poverty line. The urban population is estimated to grow 2.5% per year to reach 50% in the next 15 years, posing a big challenge for urban planners.[1]

Of the country's large population, the biggest concentration is in Karachi, home to 16 million people. This megacity is a financial and economic hub generating 12% to 15% of Pakistan's gross domestic product (GDP) and 5.5% of its jobs.[2] However, the economic productivity gains generated by Karachi and its surrounding agglomeration are at risk. Use of night-lights—a proxy for economic activity—shows declining economic activity in core areas of the city and high growth on its periphery, indicating that high-value economic activity is moving away from the core. This stagnation of economic activity in the inner city is a problem for long-term economic and social potential.

The city suffers from a lack of proactive urban planning, poor urban management, and inadequate services, which have not kept pace with population growth. Karachi's urbanized area is extremely dense, at more than 20,000 people per square kilometer, and the amount of green space is shrinking in the city. At the same time, crime, violence, and sociocultural barriers are hindering people's—especially women's—ability to participate in public life and employment in the city.[3] Karachi is ranked among the 15% least livable cities in the world.[4] This initial engagement by the World Bank aims to demonstrate the potential for Karachi's transformation through neighborhood-level improvements in livability and mobility, and through participatory planning processes. Building on the outcomes of this project, subsequent World Bank engagements will target the deeper institutional reforms and sectoral investments needed to transform Karachi.

[1] World Bank (2018).

[2] World Bank (2018), "Transforming Karachi into a Livable and Competitive Megacity, A City Diagnostic and Transformation Strategy."

[3] Ibid.

[4] Mercer (2018), Quality of Living Ranking.

## 2. THE KARACHI NEIGHBORHOOD IMPROVEMENT PROJECT

The objectives of the Karachi Neighborhood Improvement Project (KNIP)[5] are to launch a series of low-cost and high-visibility projects that improve livability and demonstrate the potential for city transformation through neighborhood-level interventions and consensus building. The project also lays the institutional groundwork to improve urban management in Pakistan as a whole.[6]

The project identified three neighborhoods: Saddar in the downtown area and Korangi and Malir in the east. The goal is to transform them into walkable, accessible, and safe areas with vibrant public spaces and street activities. The targeted neighborhoods cover 75 hectares and are home to 990,000 people who will benefit from project interventions.

The project also supports improved administrative services and city capacity development, including: (i) the automation of construction permits and business registration in Karachi, (ii) a comprehensive parking management strategy in Saddar, and (iii) support to establish a new Karachi transformation steering committee that can develop and implement a shared vision for the city.



[5] Project Task Team Leaders: Fuad Malkawi, Annie Gapihan

[6] <http://documents.worldbank.org/curated/en/516881497751250993/pdf/PAKISTAN-KARACHI-PAD-05262017.pdf>

## A. SPATIAL INCLUSION: IMPROVING WALKABILITY IN THE CITY

Under the project, investments will be made in public spaces in selected neighborhoods, including to:

- **Enhance accessibility and mobility:** Repaving sidewalks and streets using appropriate and innovative paving materials to support pedestrian walkability and non-motorized transport; creating a pedestrian network around key destinations and future stations for the bus rapid transit system; removing barriers around landmark public spaces; installing wayfinding signs; installing public toilets; installing or rehabilitating benches, soft landscaping, shade structures, pavilions, and other such structures. Special attention is being given to the needs of vulnerable groups, including women.
  - **Improving safety features for pedestrians, with special attention on gender:** Street lighting, burying overhead cables and rearranging electric equipment, raised crosswalks and signalization, barriers to protect pedestrians from vehicular traffic, the periodic or permanent pedestrianization of certain road segments (e.g., for night markets), reorganized street parking to reduce vehicle encroachment on sidewalks, wheelchair ramps, and so on.
  - **Building adequate public spaces, particularly in underserved neighborhoods:** The construction, rehabilitation, or upgrading of parks, playgrounds, playing fields, or other community facilities.
  - **Building attractive public spaces to foster vibrant street activity and support livelihoods:** Organizing street vendors, dedicated eating spaces, and temporary street closures for night markets; supporting the establishment of local business associations to finance small maintenance and security needs of new investments.
  - **Taking measures to address traffic congestion and parking needs:** Reorganizing traffic circulation and parking; implementing traffic reduction measures, signalization, or new roundabouts at busy intersections—all bolstered by a parking management study under Component 2.
  - **Improving selected municipal services:** Solid waste collection and improved stormwater drainage along streets.
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## B. SOCIAL INCLUSION: USING CONSULTATIONS TO GET RESIDENTS INVOLVED

The project has a strong resident engagement component. Each intervention is designed through an extensive consultation process that allows people to participate in selecting and prioritizing subprojects in each neighborhood based on pre-defined criteria.

It has also set up a citywide grievance redressal mechanism (GRM) system to collect people's feedback. The project also is building the capacity of the implementation unit to manage and respond to complaints. The KNIP contributes to increased safety and use of public space, including with specific design elements that support increased use of public space by women, such as through safety features like better lighting, visibility, and public toilets, as well as the installation of play equipment for families with young children.



## C. ECONOMIC INCLUSION: FOSTERING VIBRANT ACTIVITY

By providing attractive, comfortable, and safe public spaces for all residents, the project helps to foster vibrant economic activity in existing commercial and residential areas. It also supports livelihoods by providing facilities for vendors in dedicated areas, furniture for eating spaces, and the possibility of temporary street closures for night markets. To help people get to jobs inside and outside the targeted neighborhoods, the project is improving access to the planned bus rapid transit system.

## D. OTHER UNIQUE FEATURES AND TOOLS OF THE PROJECT

The project is using a framework approach for investment selection so that subprojects are identified and developed on a rolling basis with community participation until all project funds allocated to the components have been committed.

Three neighborhoods—Saddar, Korangi, and Malir—were selected in consultation with the government and stakeholders according to criteria and considerations, including the potential to demonstrate the project’s impact on livability; complementarity with ongoing or future public investment; low negative impact on society and the environment; ethnicity and political balance; and the potential for engagement with low-income and vulnerable groups.

Within each neighborhood, specific subprojects are selected and designed through a community consultation process. Approved subprojects must meet the following criteria: focus on public space enhancement; meet international technical standards and best practices; take into account stakeholder comments and suggestions; be economically viable; have no major or irreversible environmental and social impacts; be ready for implementation; and have financing, procurement, and implementation plans that are satisfactory to the World Bank.

## 3. RESULTS [7]: SCALING UP FROM THE NEIGHBORHOOD TO CITYWIDE TRANSFORMATION

- **Promoting the economic and social value of public space improvements:** Demonstrating the benefits of localized placemaking for social and economic inclusion as a complement to metro-scale sectoral infrastructure projects.[8]
- **Working from the neighborhood-level up for citywide transformation:** Changing the business-as-usual approach by working from the bottom up, being tactical and starting at the neighborhood level to demonstrate potential and to build confidence for larger-scale reforms or changes.

[7] As of February 2020; the project closing date is 2021

[8] Placemaking refers to promoting urban design that facilitates creative patterns of use and pays attention to the physical, cultural, and social identities that define a place.

- **Fostering inclusive participation in decision making at the city level:** Public participation is not common in Karachi. Even so, the project implementation unit has exceeded the number of consultations required by the project, engaging 671 participants in consultation activities during the project's implementation.
- **Establishing a shared vision for Karachi's transformation:** Institutionalizing cooperation and fostering a sense of ownership by facilitating the launch of the Karachi transformation steering committee, which includes representation from civil society organizations, nongovernmental organizations, and academia. The steering committee aims to develop a roadmap and action plan for transformational investments and targeted reforms that draw on the lessons from the KNIP and can scale up transformational initiatives.

## 4. CHALLENGES AND LESSON LEARNED: THE NEED FOR PROACTIVE COMMUNICATION AND COLLABORATION

- When citizen engagement is not ingrained in the public sector's culture, changing the mindset of government agencies about public participation is a challenge. That means efforts should be made to demonstrate the value of consulting local communities from the initial stages and to help the responsible agencies see the benefits of collaboration.
- In a megacity like Karachi, multiple projects take place at the same time, causing confusion among stakeholders. Therefore, proactive communication campaigns that demarcate the World Bank project's scope and borders are essential. Encroachment on right of way is prevalent in Karachi, and investments may require resettling people (temporarily or permanently) or removing physical encroachments like stairs or low walls. The project must work closely with communities to find appropriate solutions to ensure that no one is left worse off by the project.

*The case note is prepared by Urban Poverty and Housing GSG and Urban Poverty and Slum Upgrading KSB. The team comprised of: Phoram Shah, Waad Tamaa, Reyna Alorro, Rodica Tomescu-Olariu, Mansha Chen, Judy Baker and Dean Cira. Project Task Team Leaders, Fuad Malkawi and Annie Gapihan provided substantive inputs. Charles Newbery provided editing support.*

*Please visit GSG website for additional information (<https://worldbankgroup.sharepoint.com/sites/gsg/uphsgg/Pages/index.aspx>).*

*For questions on the project, please follow up with Fuad Malkawi ([fmalkawi@worldbank.org](mailto:fmalkawi@worldbank.org)) and/or Annie Gapihan ([agapihan@worldbank.org](mailto:agapihan@worldbank.org)).*

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