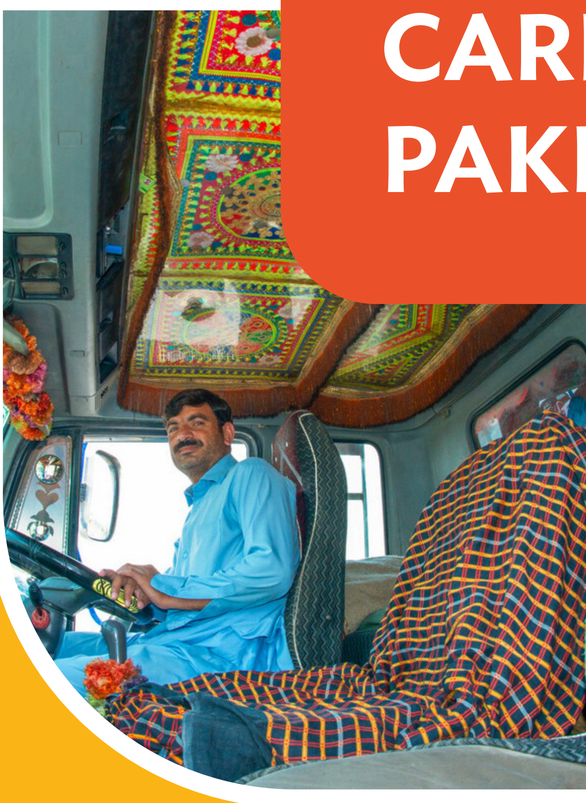
FORGING LINKS, DRIVING IMPACT

CAREC and PAKISTAN



CAREC

Central Asia Regional Economic Cooperation Program

WHAT IS THE
CAREC PROGRAM?

The Central Asia Regional Economic Cooperation (CAREC) Program brings together 11 countries[a] and multiple development partners to accelerate economic growth and reduce poverty. It is guided by the overarching vision of Good Neighbors, Good Partners, and Good Prospects. The Asian Development Bank (ADB) serves as the CAREC Secretariat.

For more than 2 decades, the program has been a unique platform helping develop and implement regional projects, support policy reforms, and pilot multisector initiatives critical to sustainable economic growth.

From 2001 to 2024, CAREC mobilized $52.5[b] billion in investments in CAREC countries with a focus on establishing multimodal transport networks, increasing energy trade and security, facilitating the safer movement of people and goods, and developing economic corridors.

CAREC 2030 Strategy is the long-term strategic framework for the program, anchored in a mission to connect people, policies, and projects for shared and sustainable development. Through practical, action-oriented projects and a collaborative approach, the program fosters inclusive economic growth and yields tangible economic benefits for its member countries and their people.

[a] ADB placed its regular assistance to Afghanistan on hold effective 15 August 2021.
[b] "$" refers to United States dollars.

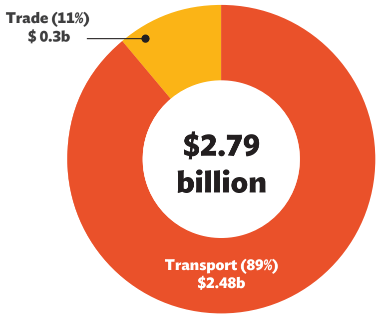
CAREC AND **PAKISTAN**

Since joining CAREC in 2010, Pakistan has pursued innovative ways to break down barriers to growth and position Central Asia at the heart of trade and commerce within an increasingly integrated global economy. Pakistan's road network is strategically linked to CAREC Corridors 5 and 6, at the crossroads of rapidly growing regions of South Asia and Central and West Asia. Corridor 5 connects Central Asia and East Asia to South Asia, providing potential routes to Karachi's all-weather seaports for landlocked countries. As a transit route between Central Asia, South Asia, the Caucasus, the Middle East, and the Russian Federation, Corridor 6 facilitates the export of agricultural products from Pakistan to Uzbekistan and Turkmenistan.

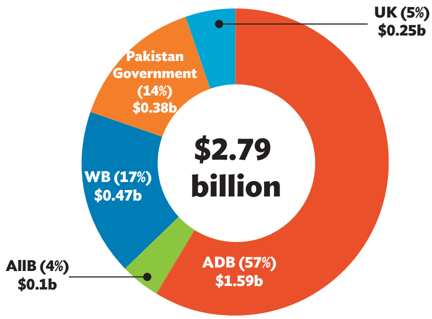
Pakistan is upgrading its national road corridors and border-crossing points. It is advancing modern trade facilitation measures and implementing paperless trade through its national single window. With its abundant human and natural resources, Pakistan is implementing initiatives to bolster regional connectivity, secure sustainable energy, and diversify its economy—including through tourism and digitalization—that will unlock new opportunities and promote economic growth. Working with other CAREC countries, Pakistan is building resilience, mitigating disaster risks, and achieving sustainable development.

CUMULATIVE **INVESTMENTS**

As of December 2024, about $2.79 billion has been funneled into ten CAREC-related investments in Pakistan. About $2.48 billion or 89% was dedicated to eight transport projects. ADB financed or cofinanced eight of these projects. The Government of Pakistan funded about 14% or $0.38 billion of these investments as counterpart financing.



Investment by Sector



Investment by Funding Source

ADB=Asian Development Bank, AIIB = Asian Infrastructure Investment Bank, b = billion, UK = United Kingdom, WB = World Bank..

Note: For ADB, investments reflected are committed amounts, totaling $1,591 million. ADB investments net of cancelled project funds (totaling $432.236 million) for active and completed projects is $1,158. Total CAREC related investments net of cancellations is $2,355 million.

NATIONAL MOTORWAY
M-4 PROJECT

To create a safe and efficient regional network for the seamless movement of goods and people along the M-4 Motorway and the E35 Expressway, two pivotal initiatives were launched: the M-4 Gojra–Shorkot and the M-4 Gojra–Shorkot–Khanewal sections. In 2015–2021, this project received a $504 million investment, funded by ADB and the Asian Infrastructure Investment Bank, with additional grants from the United Kingdom. The project constructed a 126-kilometer (km) four-lane, access-controlled motorway linking Gojra, Shorkot, and Khanewal, along with an 11 km six-lane expressway connecting Sarai Saleh and Havelian as part of the E35. The project also bolstered the institutional capacity of the National Highway Authority.

The project filled the last gap in the M-4, reinforcing the north–south transport corridor. As a faster and more efficient alternative to the congested existing routes, the M-4 now draws most of the long-distance traffic between Karachi and Islamabad. It also intersects with the National Trade Corridor, CAREC Corridors 5 and 6, and the China–Pakistan Economic Corridor. By strengthening connectivity to major industrial and commercial hubs, the project has unlocked new economic opportunities for communities.

The project expedited the movement of goods and people.

- Average daily vehicle kilometers (vehicle-km) on the M-4 Faisalabad–Multan reached 2.5 million, significantly exceeding the target of 1 million.
- Average travel time from Islamabad to Multan was shortened from 8 hours in 2015 to 6 hours in 2020.
- Average travel speed reached 120 kilometers per hour (kph) for light vehicles, exceeding the target of 80 kph.

Source: Independent Evaluation Department. 2023. *Validation Report: National Motorway M-4 Gojra–Shorkot Section Project and National Motorway M-4 Gojra–Shorkot–Khanewal Section Project in Pakistan (Additional Financing)*. ADB; and ADB. 2022. *Completion Report: National Motorway M-4 Gojra–Shorkot Section Project and National Motorway M-4 Gojra–Shorkot–Khanewal Section Project in Pakistan (Additional Financing)*.

NATIONAL TRADE CORRIDOR HIGHWAY
INVESTMENT PROGRAM (TRANCHES 2 AND 3)

This program set out to boost regional connectivity and streamline trade by improving the corridor's efficiency. With a total investment of $327 million, jointly financed by ADB and the United Kingdom, tranches 2 and 3 were rolled out in 2015–2017. Tranche 2 constructed the E35 Hassanabdal–Sarai Saleh section, while tranche 3 extended the corridor with the E35 Sarai Saleh–Havelian section. Both six-lane highways connect to the M-1 and form a vital part of CAREC Corridor 5.

Greater corridor efficiency accelerated the flow of freight and passengers, reducing transit times and strengthening overall connectivity.

- Average travel time from Peshawar to Karachi was slashed by 42 hours in 2017 compared with 2006, while freight transport costs dipped by 3%–6% of wholesale prices.
- Average travel speed on the Hassanabdal–Sarai Saleh section surged in 2017 compared with 2013, rising by 50 kph for heavy passenger and freight vehicles.
- On the Sarai Saleh–Havelian section, light vehicles gained 65 kph, while heavy freight and passenger vehicles experienced an increase of 45 kph.
- Vehicle operating costs on the Hassanabdal–Sarai Saleh section shrank by PRs35/km for freight and PRs1.5/km for passenger vehicles, and dropped by PRs126/km for freight vehicles on the Sarai Saleh–Havelian section in 2017, compared with the 2013 baseline.
- Annual average daily traffic grew by 15,090 on the Hassanabdal–Sarai Saleh section in 2021 compared with the 2013 baseline, while the Sarai Saleh–Havelian section saw a rise of 8,939 vehicles.

Access to commercial centers and social services expanded.

- Haripur, on the N-35 corridor, and Hattar Industrial Estate became accessible.
- Communities' access to health and education facilities improved, uplifting social growth and well-being.
- Tourism flourished.

Source: ADB. 2021. *Completion Report: National Trade Corridor Highway Investment Program Project in Pakistan*.


SHAH MAQSOOD TOLL PLAZA
HAZARA MOTORWAY
شاہ مقصود ٹول پلازہ

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