
Annual Performance Report

Project/Programme title: Green BRT Karachi (FP085)
Accredited Entity: Asian Development Bank (ADB)
Date of Report submission: 20 April 2026
Version number V1.0



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RATIONALE

This report layout is designed to support the drafting of a structured report that assesses, evaluates, documents, and communicates the progress on Funding Proposal (FP) implementation and on its associated Funded Activity Agreement (FAA). The layout aims to provide a clear and comprehensive understanding of key objectives, progress, and risks, drawing on project implementation related data provided by Accredited Entities (AEs). Considering the Green Climate Fund's (GCF) evolving strategic direction toward a Risk-Based Approach, the report is intended to:

- Track quantitative and qualitative progress of the project implementation.
- Highlight critical findings and emerging trends.
- Identify risks and propose actionable mitigation strategies.
- Support evidence-based decision-making.
- Promote transparency and accountability.
- Align with strategic and regulatory frameworks.
- Serve as a foundation for AE engagement on project performance

METHODOLOGY

The report's layout mirrors, to the extent possible, the structure of the Funding Proposal (FP) to maintain coherence with the presented information. However, the FP and the Report differ in scope and strategic intent; thus, while the FP serves a functional role in informing the Report, it does not dictate a strictly parallel structure.

A. PROJECT DATA (Prefilled where possible)				
Should any information/data prefilled from Section A.1 to Section A.12 be incorrect or require updating, please inform GCF's Project Lead of appropriate corrective action.				
A.1. Date of report submission		20 April 2026		
A.2. Project or programme	Project	A.3. Sector	Public	
A.4. Total Financing (GCF + Cofinance)	GCF Financing		Mill. USD 49.0	
	Grants		Mill. USD 11.8	
	SeniorLoans		Mill. USD 37.2	
	Co-Financing		Mill. USD 534.5	
	Grants		Mill. USD 92.5	
	SeniorLoans		Mill. USD 442.0	
	Total Financing		Mill. USD 583.5	
A.5. Total GCF funding disbursed to this date	NA (draft)			
A.6. Implementation period	From 1 January 2019 to 30 December 2024			
A.7. ESS Category (Refers to GCF revised <u>Environmental and Social Policy</u> and GCF ESS Standards to assess your FP category.)			Category A	
A.8. Executing Entity Information				
Full legal name	Country of registration (or, for intl orgs, country of HQ)	Entity type	Role in project	Focal Point(s) and email(s)
Sindh Mass Transit Agency	Pakistan	Government Agency	Executing Entity and Policy/Regulatory	Ms. Kanwal Bhutto, MD , managingdirector.smta@gmail.com
TransKarachi Company	Pakistan	Public Sector-Government Controlled National Entity	Lead Executing Entity	Mr. Fuad Ghafoor Soomro, CEO, ceo@transkarachi.pk

A.9. Co-Financier information				
Full legal name	Country of registration (or, for intl orgs, country of HQ)	Focal Point(s) and email(s)	Ownership Type	Beneficial Owner(s)
ADB	Philippines (the)	David Margonsztern, dmargonsztern@adb.org	MDB	Not Applicable
Agence Francaise Developpement (AFD)	France	n/a	Bilateral Agency	Not Applicable

Full legal name	Country of registration <i>(or, for intl orgs, country of HQ)</i>	Focal Point(s) and email(s)	Ownership Type	Beneficial Owner(s)
Asian Infrastructure Investment Bank AIIB	China	Wenjing Pu wenjing.pu@aiib.org	Multilateral Development Bank	Not Applicable

A.10. Alignment with country NDCs & NAP *(NB Only populate if applicable, e.g., if your project/programme specifically contributes to a country's NDC or NAP target/s)*

Country	Date of NDC/ NAP submission	NDC/ NAP objective	Brief description of project's alignment with NDC/ NAP objectives	Percentage of target met with proposed project.Beneficial owner(s)
Pakistan	6 October 2021	Climate resilient, low emissions development, particularly in the transport sector	Supports NDC transport sector mitigation targets through modal shift to low-emission BRT and adaptation through climate-proofed infrastructure. The shift to electric buses aligns with the government's New Energy Vehicles Policy 2025-2030.	0%

A.11. Estimated duration of impact

A.12 Report to be shared with NDA

Yes ☐ No ☐

B. EXECUTIVE SUMMARY

Should any information/data prefilled in Section “B” be incorrect or require updating, please inform GCF’s Project Lead for appropriate corrective action.

B.1. Summary

Response on 2024 APR:

The 2024 APR gaps identified by GCF (e.g., consolidated progress reporting, clearer indicator targets, cost per tCO₂e calculations, budget utilization, and a revised implementation plan) have been addressed in this 2025 APR as follows: (i) subheadings differentiate 2024 and 2025 progress; (ii) indicator targets and actuals are clearly reported with reasons for shortfalls; (iii) financial data includes budget utilization per output; (iv) a revised implementation timetable is attached as Annex 5; and (v) terminology is clarified to improve readability for non-technical stakeholders.

2025 Progress:

The year 2025 was a critical turning point, marked by intense efforts to resolve deep-seated contractual and performance issues. Two ADB missions (September and December) assessed progress and laid down four strict conditions for future support. A major breakthrough was the signing of Memorandums of Understanding (MOUs) with the two main civil works contractors in December 2025, settling long-standing claims totaling over \$64 million. Despite this, the project’s safeguards rating remains "At Risk" following a work suspension (May-July) for health and safety (H&S) non-compliance. Significant design changes were finalized, including the transition to BEBs, the descoping of platform screen doors into a new Electro-Mechanical package, and the rationalization of the common corridor. Physical progress remained slow, with cumulative completion at 18.9% (Lot 1) and 33.7% (Lot 2) by end-November 2025.

C. RESULTS AND IMPACTS

C.1. Overall Summary of the Project Progress

(This section provides a narrative report summarizing the overall progress of the implementation status of the funded activity progress during the reporting period. 1,500 words)

Progress in 2024 (Baseline for 2025 Reporting):

As reported in the 2024 APR, the project faced significant delays due to macroeconomic instability, contractor underperformance, and weak institutional capacity of TransKarachi. Cumulative physical progress by end-2024 was 11% (Lot 1: Numaish Churangi to Askari Park section) and 17% (Lot 2: Darul Uloom Ghosia Trust to Jamia Masjid Al-Raheem Trust, including depot 1). The GCF loan expired in December 2024, halting disbursements. A post-facto extension request was prepared.

Progress in 2025 (Reporting Year):

Component 1: BRT Infrastructure Constructed.

2025 was dominated by contractual disputes that brought construction to a near standstill. The main civil works contractors submitted significant claims (totaling \$64 million), leading to protracted Dispute Board (DB) proceedings. Physical progress stalled, reaching only 18.9% (Lot 1) and 33.7% (Lot 2) by November 2025. A major breakthrough occurred in December with the signing of MOUs to settle claims, allowing for the resumption of works under strict, milestone-based payment plans. The contractors have committed to completing all road works (excluding stations) by mid-2026. Critical design changes were finalized, including the shift to a fully electric BRT fleet (Activity 2.1) and the reconfiguration of stations, leading to the creation of a new, integrated Electro-Mechanical (E&M) package for Automated Platform Gates (APGs), escalators, and generators. Work on depots (Activity 1.5) is poised to begin following the MOUs, though site access for Bagh-e-Karachi requires final cabinet approval.

Component 2: Green BRT System Operationalized.

Preparatory work advanced significantly. Following TKC's Board decision in June 2025 to shift to BEBs (279 buses), the procurement is targeted for advertisement by April 2026. The biogas plant was fundamentally restructured into a commercially viable PPP project, with its scope shifted from fueling buses to selling biomethane, using up to \$10.2 million of GCF funds as viability gap funding. The Design-Build-Operate (DBO) tender is ready for advertisement. The fiber optic initiative, designed to generate non-fare revenue, was deferred by the Board pending further analysis.

Component 3: Compliance with E&S Requirements.

Safeguards performance was rated "At Risk" for the entire year. Following an April safeguards review, construction was suspended from May to July due to non-compliance with healthy and safety (H&S) requirements. A two-phase Corrective Action Plan (CAP) was implemented: Phase 1 (urgent occupational health safety actions) was completed by 4 July 2025, enabling work resumption; Phase 2 (additional environmental and H&S measures) is ongoing. An incident involving a child falling into an unprotected manhole occurred within the corridor but was determined not to be project-related; however, the project proactively secured all manholes in the area. Community complaints escalated, with several forwarded to ADB's Accountability Mechanism. Coordination with the K-IV water project emerged as a critical safety risk, requiring an immediate halt to their works within the BRT corridor. Efforts to trace untraceable Displaced Persons (DPs) continued, with 484 remaining un-located.

Component 4: Effective Management.

TKC's institutional capacity remained a significant risk. A new CEO was appointed in May 2025, and key positions such as GM Infrastructure and H&S Officer were filled. However, three critical roles (COO, GM Operations, Manager Procurement) and two independent Board positions remain vacant. A key positive was the finalization of an updated organogram with 135 positions. The long-pending Variation Order No. 3 for the Operational Design and Business Model (ODBM) consultant was approved by the Board in September, unlocking critical design work for pending components.

C.2. Performance against the Funding Proposal Logical Framework Indicators

For each of the indicators please report only the 'annual value' for the reporting year; this means reporting solely the values achieved from January 1st, 2025, to December 31st, 2025. The "cumulative value" will automatically be updated by the system by aggregating reported annual values since project FAA effectiveness.

Please ensure that targets are clearly defined and reported using the following categories:

- *Midterm Target: The results to be achieved by the midpoint of implementation.*
- *Final Target: The results to be achieved by the conclusion of project or programme implementation.*
- *Lifetime Target: The total results expected over the entire operational period of the project or programme.*

Note that the baseline, midterm, final and lifetime targets will be prefilled based on your previous Annual Performance Report and/or Funding Proposal. It is imperative that you carefully review, verify and update where relevant.

Should the project be Multicountry, please report the achievement by Country.

Lastly, avoid using commas or periods as thousand separators. Periods should only be used as decimal separators.

For REDD+ Results-Based Payment (RBP) projects, you are only required to report on the progress of activities.

Should any prefilled information/data in the Logical Framework be incorrect or require updating, please inform GCF's Project Lead for appropriate corrective action.

GCF Outcome Level: Standardized Indicators

PMF/IRMF Results Management Framework

No indicators/questions defined.

(PMF) M1 Tonnes of carbon dioxide equivalent (tCO ₂ eq) reduced as a result of GCF-funded projects/programmes (IRMF) Core 1 Greenhouse gas (GHG) emissions reduced, avoided or removed/sequestered						
Provide the total GHG emissions reduced, avoided or removed/sequestered (tCO ₂ eq) as a result of GCF support.						
Unit						Tonnes of CO ₂ -equivalent
Baseline	Target			Previous Year Cumulative Value	Annual value	Cumulative Value (automatically calculated)
	Mid-term	Final target	Lifetime			
0	58,000	60,000	2,610,000	0	0	0

(PMF) M1 Tonnes of carbon dioxide equivalent (tCO ₂ eq) reduced as a result of GCF-funded projects/programmes (IRMF) Core 1 Greenhouse gas (GHG) emissions reduced, avoided or removed/sequestered							
Provide the total GHG emissions reduced, avoided or removed/sequestered (tCO ₂ eq) as a result of GCF support, disaggregated by result area.							
Unit							Tonnes of CO ₂ -equivalent
Disaggregation by: Result Areas (Mitigation)	Baseline	Mid-term	Final target	Lifetime	Previous Year Cumulative Value	Annual value	Cumulative Value
Low Emission Transport		58,000	60,000	2,610,000	0	0	0

(PMF) M1 Tonnes of carbon dioxide equivalent (tCO ₂ eq) reduced as a result of GCF-funded projects/programmes (IRMF) Core 1 Greenhouse gas (GHG) emissions reduced, avoided or removed/sequestered							
Provide the total GHG emissions reduced, avoided or removed/sequestered (tCO ₂ eq), disaggregated by Country.							
Unit							Tonnes of CO ₂ -equivalent
Disaggregation by: Project Countries	Baseline	Mid-term	Final target	Lifetime	Previous Year Cumulative Value	Annual value	Cumulative Value
Pakistan	0	58,000	60,000	2,610,000	0	0	0

Low emission transport

No indicators/questions defined.

(PMF) M8.2 Vehicle fuel economy and energy source as a result of Fund support (IRMF) Supplementary 1.5 Improved low-emission vehicle fuel economy
Please provide the total improved vehicle fuel economy and/or energy source, as a result of GCF support. Ensure to provide the unit in question M 2_A-3.

Baseline	Unit				Enter unit
	Target		Previous Year Cumulative Value	Annual value	Cumulative Value (automatically calculated)
	Mid-term	Final target			
0	20	20	0	0	0

(PMF) M8.2 Vehicle fuel economy and energy source as a result of Fund support (IRMF) Supplementary 1.5 Improved low-emission vehicle fuel economy						
Please provide the total improved vehicle fuel economy and/or energy source, as a result of GCF support, disaggregated by Country. Ensure to provide the unit in question M 2_A-3.						
Unit						Enter unit
Disaggregation by: Project Countries	Baseline	Mid-term	Final target	Previous Year Cumulative Value	Annual value	Cumulative Value
Pakistan	0	20	20	0	0	0

(PMF) M8.1 Number of additional female and male passengers using low-carbon transport as a result of Fund support						
Provide the total number of direct beneficiaries (female/male) adopting low-emission mobility solutions, including shifting to public transit, non-motorized transport, or avoiding motorized trips per year, disaggregated by gender.						
Unit						No. of Beneficiaries
Disaggregation by: Gender	Baseline	Mid-term	Final target	Previous Year Cumulative Value	Annual value	Cumulative Value
Male	0	121,550,000	116,800,000	0	0	0
Female	0	21,450,000	29,200,000	0	0	0

Project Specific Indicators							
Indicator	Unit	Baseline	Target		Previous Year Cumulative Value	Annual value	Cumulative Value (automatically calculated)
			Mid-term	Final target			
1.1 Number of KM of BRT Corridor constructed and climate proofed	Kilometres	0	30	30	8.4	7.88	16.28
Indicator 1.2 Number of BRT stations and depots constructed	No. of Items	0	178	178	0	0	0
Indicator 1.3 Proportion of women-led business with occupancy in BRT upgraded permanent formal vending spaces	Percentage	0	10	10	0	0	0
Indicator 2.1 Mode of transport BRT passengers would have used in absence of the project (as %) Mode of transport BRT passengers would have used in absence of the project (as %)	Percentage	0	100	100	0	0	0
Indicator 2.2 Number of low-carbon BRT buses/fleet procured	No. of Items	0	199	199	0	0	0
Indicator 2.3 Volume of NMT modality use (per annum): Bikes and e-pedicabs	No. of Items	0	800	800	0	0	0

Indicator 2.4 Reduced amount of air pollutants (PM2.5, NOx, SO2)	Tonnes of NOx/SOx/PMs	0	485	490	0	0	0
Indicator 2.5 Net tons of biogas produced per annum (total and for BRT use)	Metric tonnes	0	4,000	4,100	0	0	0
Indicator 3.1 Level of implementation to the requirements of project specific Environmental Management Plan (EMP) & Resettlement Plan (RP)	Plans	0	4	4	3	0	3
Indicator 3.2 Number of informal private operators converted to public BRT service contractors	No. of Agreements/Contracts	0	50	50	0	0	0
Indicator 4.2 Level of use of BRT Karachi GHG performance monitoring reports for subsequent phases of Pakistan BRT lines	Plans	0	1	2	0	0	0
Indicator 4.3 Number of BRT performance reports made publically available	No. of Studies/assessments	0	0	6	0	0	0

Activities				
Activity Name	Implementation Progress (%)	Utilised GCF Budget	Allocated GCF Budget	% (Automatically calculated)
1.2 Construction of main BRT corridor (Lot 1)	18	0	7,000,000	0
1.2 Construction of main BRT corridor (lot 2)	33	0	7,000,000	0
2.1 Procurement of Bus Fleet	0	0	27,000,000	0
2.4 Construction of biogas facility	0	0	10,200,000	0
3.1 E&S Management Plan Implementation	75	0	0	0
4.2 Administration of TransKarachi	49	0	0	0

C.2.1. Subprojects

Where applicable, include information on sub-projects. For projects and programmes approved until B.31, the logical framework should focus on the mitigation and adaptation Performance Measurement Frameworks (PMF). For projects and programmes approved from B.32 onwards, the logical framework should reflect the Integrated Results Management Framework (IRMF).

Title	Currency	GCF Funds	Co-Financing	Country	GHG Emissions Reduced	Direct Beneficiaries	Indirect Beneficiaries
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

C.3. Compliance with FAA covenants

Yes ☐ No ☒

The project is in partial compliance. Critical areas of non-compliance include: 1) The project's safeguards performance is formally rated "At Risk" by ADB due to persistent H&S issues and unresolved community complaints. 2) The GCF loan and grant have lapsed, requiring a post-facto extension. 3) The bus industry restructuring plan (Loan Covenant para 16) has not yet been implemented. These are being actively addressed through Corrective Action Plans and formal restructuring requests.

C.4. Funded Activity Implementation Arrangements in the Following Year

Yes ☒ No ☐

The implementation arrangements for 2026 are contingent on a major restructuring and the approval of the GCF extension. The updated Procurement Plan reflects new packages (Numaish Staging, BRT Fleet, Biogas Plant DBO, System Control, E&M Equipment) to be advertised in Q2 2026. Implementation will be strictly governed by the recovery plans and milestone-based payments established in the December 2025 MOUs with contractors, under the four conditions set by ADB.

D. RISKS ASSESSMENT AND MANAGEMENT

D.1. Risk and mitigation measures

As stated in the Board-approved "Risk Appetite Statement," a cornerstone of the GCF's Risk Framework is proactive risk management. This includes risk identification, assessment, monitoring, reporting and appropriate mitigation to minimize and respond to risks, both directly and through partners implementing GCF's projects and programmes.

Risk Management Matrix

A risk is the probability of an event to adversely affect the achievement of the project Impact (its objectives, outcomes, and results). "Inherent risk" refers to the level of risk present before any of the mitigating measures are applied. "Residual risk" represents the level of risk after mitigating measures have been implemented.

Please update the project risk matrix by reviewing and revising information for all previously identified risks, and adding any new risks identified during implementation by selecting the adequate Risk Area in the drop-down menu. For each risk, ensure you provide a clear risk description, outline the potential negative consequences, specify the mitigating measures in place, and complete the severity scoring as required.

For the Integrity Risk Area, an annual reporting (and more frequent and prompt reporting if stated in the legal agreements with the GCF) is required for each of its 3 Risk Sub-areas, as GCF has zero tolerance for Prohibited Practices, for SEAH in Fund-related Activities, and for working with parties and engaging in activities subject to sanctions imposed by the United Nations Security Council. The AE reporting obligations under GCF policies and in the legal agreement(s) with the GCF include but are not limited to requiring AEs to take action to identify, mitigate and promptly disclose to the GCF any real or perceived Conflict of Interest, any alleged or suspected Prohibited Practice, promptly notify the Fund of any material risks or other indications of money laundering and/or financing of terrorism in relation to the Project and promptly take remedial steps in consultation with the GCF.

The AE shall also provide updates on the risks and mitigating measures under the other Risk Areas when changes to already identified risks or new risks have been identified.

Risk scoring:

For likelihood, please rate on a scale from 1 to 5: 1. Unlikely, 2. Possible, 3. Likely, 4. Almost certain, 5. Certain

For impact, please rate on a scale from 1 to 5: 1. Close to none, 2. Low, 3. Medium, 4. High, 5. Catastrophic

The severity of each risk is automatically computed based on the likelihood and impact of the risk.

Risk 1	Project financing is involved in money laundering or terrorist financing activities.		
Risk Origin	Project Related		
Risk Area	Integrity		
Risk Sub-area	Money Laundering (ML) & Terrorist Financing (TF)		
Description	There is an insignificant risk that proceeds under this project are involved in money laundering and terrorist financing. These risks thrive where incentives meet weak oversight, particularly in economies with large informal sectors, weakly governed institutions, and inconsistently enforced regulations. Structural vulnerabilities in the financial system — such as opaque shell companies, complex cross-border transactions, and gaps in project, executing and/or implementing agency, or procurement due diligence — allow illicit funds to be layered and integrated with legitimate money (i.e., this project's proceeds).		
Consequences	Presence of money laundering and terrorist financing connections would result in immediate cessation of activities financed by this project, leading to severe regulatory penalties and fines, loss of banking and financial relationships and access, and severe reputational damage for all institutions and parties involved.		
Inherent Risk	Likelihood	Impact	Severity
	2 - Possible	4 - High	8 - Medium High
Mitigation Measure(s)	ADB has strict mandatory due diligence procedures that includes a universal application of AML/CFT risk assessments for all operations and co-financing. The process is guided by our internal staff instructions on integrity due diligence for all operations and co-financing. In addition, ADB conducts proactive integrity reviews of operations on a regular basis to ensure compliance and mitigate any risks of AML/CFT.		
Residual Risk	Likelihood	Impact	Severity
	2 - Possible	2 - Low	4 - Medium
Current Residual Risk	Likelihood	Impact	Severity
	2 - Possible	2 - Low	4 - Medium

Comments	N/A		
Risk 2	Engagement of sanctioned entities		
Risk Origin	Project Related		
Risk Area	Integrity		
Risk Sub-area	Sanctions		
Description	There is an insignificant risk that the project may engage entities (executing, implementing, or through procurement) that are under sanctions by other actors for fraudulent practices, including corrupt, coercive, collusive or obstructive practices.		
Consequences	If the project was to unknowingly or knowingly engage sanctioned parties, then the FP would be in violation of ADB and GCF procedures and processes, resulting in immediate cessation of activities, need for corrective actions, and potentially more severe penalties depending on independent assessments. This would impede project delivery and eventual delivery of results.		
Inherent Risk	Likelihood 1 - Unlikely	Impact 4 - High	Severity 4 - Medium
Mitigation Measure(s)	ADB verifies during due diligence, contracting, and implementation, as to whether an entity that will be or is engaged in the project is on our risk integrity portal or sanctions list. To ensure a consistent approach, MDBs, including ADB, have agreed on harmonized principles for sanctions and treatment of corporate groups. Potential instances that deem further investigation are reported directly to the ADB Office of Anti-Corruption and Integrity (OAI) that investigates such claims and recommends appropriate action. OAI also carries out proactive integrity reviews (PIRs) of ongoing operations to help prevent and detect such violations. PIRs assess project integrity risks by identifying any red flags through capacity assessments, inspection of project outputs and implementation, procurement and financial assessments. PIRs recommend measures to protect project resources. Follow-up reviews are conducted to assess the implementation progress of the PIR recommendations, and to assist the executing/implementing agencies and ADB in implementing any recommendations.		
Residual Risk	Likelihood 1 - Unlikely	Impact 2 - Low	Severity 2 - Low
Current Residual Risk	Likelihood 1 - Unlikely	Impact 2 - Low	Severity 2 - Low
Comments	N/A		
Risk 3	Fraudulent practices		
Risk Origin	Project Related		
Risk Area	Integrity		
Risk Sub-area	Fraud / Bribery & Corruption / Collusion and any other prohibited practice		
Description	Potential contractors or engaged agencies engage in fraudulent practices, including corrupt, coercive, collusive or obstructive practices.		
Consequences	While this is an insignificant risk in this FP, the discovery of such behavior could lead to (a) suspension of activities under this FP, (b) reputational damage that affects the AE, GCF, government, and private entities involved in delivering the FP, (c) mandatory internal investigations, remediation, and potential legal and/or regulatory proceedings leading to disbarment, loss of licenses to operate, or access to markets, capital facilities, and/or procurement processes, amongst any other consequences so recommended by internal investigations.		
Inherent Risk	Likelihood 1 - Unlikely	Impact 4 - High	Severity 4 - Medium
Mitigation Measure(s)	ADB verifies during due diligence, contracting, and implementation, as to whether an entity that is engaged in the project is on our risk integrity portal or sanctions list. To ensure a consistent approach, MDBs, including ADB, have agreed on harmonized principles for debarment, sanctions and treatment of corporate groups. Potential instances that deem further investigation are reported directly to the ADB Office of Anti-Corruption and Integrity (OAI) that investigates such claims and recommends appropriate action. OAI also carries out proactive integrity reviews (PIRs) of ongoing operations to help prevent and detect such violations. PIRs assess project integrity risks by identifying any red flags through capacity assessments, inspection of project outputs and		

	implementation, procurement and financial assessments. PIRs recommend measures to protect project resources. Follow-up reviews are conducted to assess the implementation progress of the PIR recommendations, and to assist the executing/implementing agencies and ADB in implementing any recommendations.		
Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	3 - Medium	3 - Low
Current Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	3 - Medium	3 - Low
Comments	N/A		
Risk 4	Stakeholder failure to declare conflict of interest		
Risk Origin	Project Related		
Risk Area	Integrity		
Risk Sub-area	Conflict of interest		
Description	The FP engages entities or the AE itself fails to: (a) appropriately disclose; and (b) take reasonable measures to manage a conflict of interest which is any situation in which these parties have interests that could improperly influence their performance of official duties or responsibilities, contractual obligations, or compliance with applicable laws and regulations.		
Consequences	While this is an insignificant risk in this FP, the discovery of such behavior could lead to (a) suspension of activities under this FP, (b) reputational damage that affects the AE, GCF, government, and private entities involved in delivering the FP, (c) mandatory internal investigations, remediation, and potential legal and/or regulatory proceedings leading to disbarment, loss of licenses to operate, or access to markets, capital facilities, and/or procurement processes, amongst any other consequences so recommended by internal investigations.		
Inherent Risk	Likelihood	Impact	Severity
	1 - Unlikely	3 - Medium	3 - Low
Mitigation Measure(s)	ADB verifies during due diligence, contracting, and implementation, as to whether an entity that is engaged in the project is on our risk integrity portal or sanctions list. To ensure a consistent approach, MDBs, including ADB, have agreed on harmonized principles for debarment, sanctions and treatment of corporate groups. Potential instances that deem further investigation are reported directly to the ADB Office of Anti-Corruption and Integrity (OAI) that investigates such claims and recommends appropriate action. OAI also carries out proactive integrity reviews (PIRs) of ongoing operations to help prevent and detect such violations. PIRs assess project integrity risks by identifying any red flags through capacity assessments, inspection of project outputs and implementation, procurement and financial assessments. PIRs recommend measures to protect project resources. Follow-up reviews are conducted to assess the implementation progress of the PIR recommendations, and to assist the executing/implementing agencies and ADB in implementing any recommendations.		
Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	2 - Low	2 - Low
Current Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	2 - Low	2 - Low
Comments	N/A		
Risk 5	TransKarachi failure to Meet ADB Conditions for Extension		
Risk Origin	Partner Related		
Risk Area	Partner capacity and suitability		
Risk Sub-area	N/A		
Description	The project's future depends on meeting four strict conditions by April 2026: awarding at least two new tenders, achieving 3% monthly progress, restoring safeguards compliance, and demonstrating institutional effectiveness. Failure would likely result in ADB not extending its loan, causing a cascade of co-financier withdrawals and project termination.		
Consequences	Project termination, significant sunk costs, reputational damage, and failure to deliver climate benefits.		
Inherent Risk	Likelihood	Impact	Severity
	2 - Possible	5 - Catastrophic	10 - Medium High

Mitigation Measure(s)	1) TKC is prioritizing the advertising of "low-hanging fruit" tenders (BRT Fleet, Biogas, System Control, Numaish) by April-May 2026 as per the new Procurement Plan. 2) The MOUs signed with contractors provide a framework for achieving the 3% monthly progress target. 3) An international H&S specialist is mobilized to oversee the CAP. 4) ADB is providing intensive hands-on support to TKC.		
Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	2 - Low	2 - Low
Current Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	2 - Low	2 - Low
Comments	N/A		
Risk 6	Major Health, Safety, and Structural Incident		
Risk Origin	Project Related		
Risk Area	Environmental and Social		
Risk Sub-area	Environmental and Social Safeguards		
Description	The uncoordinated and unsafe execution of K-IV water pipeline works within the BRT corridor poses a critical risk of worker/public injury or death and structural damage to completed BRT infrastructure. The November 2025 manhole incident underscores this risk. Persistent OHS non-conformities by civil works contractors add to this.		
Consequences	Consequences: Loss of life, severe reputational damage, work stoppages, asset damage, and potential violation of GCF ESS standards.		
Inherent Risk	Likelihood	Impact	Severity
	3 - Likely	3 - Medium	9 - Medium High
Mitigation Measure(s)	Mitigation measures: 1) Enforced immediate halt of all K-IV works within the BRT corridor until an integrated H&S plan, shoring, and traffic management plan are approved by the BRT Engineer. 2) TKC/PMCSC to conduct daily safety audits. 3) Strict enforcement of CAP Phase 2 with financial penalties for non-compliance by civil works contractors.		
Residual Risk	Likelihood	Impact	Severity
	2 - Possible	2 - Low	4 - Medium
Current Residual Risk	Likelihood	Impact	Severity
	2 - Possible	2 - Low	4 - Medium
Comments	N/A		
Risk 7	Escalation of Community Grievances		
Risk Origin	Project Related		
Risk Area	Environmental and Social		
Risk Sub-area	Environmental and Social Safeguards		
Description	Unresolved community complaints from Gulshan-e-Omar, UC 11, and UC 07, combined with the NIPA manhole incident, have escalated into formal complaints with ADB's Accountability Mechanism. This could lead to prolonged disputes and damage community trust.		
Consequences	Project delays, reputational damage, compensation claims, and non-compliance with GCF's social safeguards policy.		
Inherent Risk	Likelihood	Impact	Severity
	3 - Likely	3 - Medium	9 - Medium High
Mitigation Measure(s)	1) A dedicated Safeguards Task Force (TKC, PMCSC, ADB) was constituted to manage complaints. 2) TKC to urgently operationalize its GRM. 3) Full implementation of Corrective Action Plans (CAPs) for affected communities.		
Residual Risk	Likelihood	Impact	Severity
	2 - Possible	3 - Medium	6 - Medium
Current Residual Risk	Likelihood	Impact	Severity
	2 - Possible	3 - Medium	6 - Medium
Comments	N/A		
Risk 8	Continued Institutional Weakness of TKC		
Risk Origin	Partner Related		
Risk Area	Partner capacity and suitability		
Risk Sub-area	N/A		

Description	Vacancies in key positions (COO, GM Ops, Procurement Manager) and two independent Board seats, coupled with inefficient decision-making (e.g., delayed Board minutes, overturning CEO approvals), continue to hamper project execution.		
Consequences	Persistent delays, failure to meet ADB's fourth condition, and inability to effectively manage contractors and project complexity.		
Inherent Risk	Likelihood	Impact	Severity
	3 - Likely	4 - High	12 - Medium High
Mitigation Measure(s)	1) Fast-track merit-based recruitment for the three priority positions. 2) GoS to expedite appointment of two independent Board members. 3) Board to formally delegate clear financial and operational authority to the CEO to streamline decisions. 4) Timely sharing of Board minutes with ADB.		
Residual Risk	Likelihood	Impact	Severity
	2 - Possible	3 - Medium	6 - Medium
Current Residual Risk	Likelihood	Impact	Severity
	2 - Possible	3 - Medium	6 - Medium
Comments	N/A		

D.2. Report risk incidents

If any risk (previously identified or not) has materialized, please capture it here as a risk incident.

(this section is confidential)

E. FINANCIAL INFORMATION

E.1. GCF financing

In addition to the financial report in the annex, update the table with relevant GCF financial data for each country and instrument, including amounts and allocation percentages.

Country	Instrument	Currency (as per FAA)	Committed Amount	Disbursed Amount	Expenditure (reporting year)	Cumulative Expenditure	Mitigation	Adaptation
Pakistan	Grants	USD	11,800,000	1,850,000	0	0	100%	0%
Pakistan	Loans	USD	37,200,000	0	0	0	100%	0%
Total		USD	49,000,000	1,850,000	0	0	N/A	N/A

E.2. Co-financing

Please populate the table with relevant Co-financing data for each Co-financier and instrument, including amounts and allocation percentages.

Co-financier	Instrument	Currency (as per FAA)	Committed Amount	Disbursed Amount	Expenditure (reporting year)	Cumulative Expenditure	Mitigation	Adaptation
Province of Sindh	Grants	USD	88,000,000	0	0	0	100%	0%
ADB	Loans	USD	235,000,000	86,260,000	0	86,260,000	100%	0%
AFD	Loans	USD	71,800,000	21,940,000	0	21,940,000	100%	0%
AIIB	Loans	USD	71,800,000	19,720,000	0	19,720,000	100%	0%
Total		USD	466,600,000	127,920,000	0	127,920,000	N/A	N/A

E.3. Additional Finance Mobilised Beyond Approved Co-financing

Report the realised (cumulative value) and/or expected volume (Final Target) of private/public finance leveraged as a result of GCF involvement in the investment, in addition to and beyond any co-financing originally committed at approval. This datapoint shall be reported separately from official co-financing figures and is intended to capture the catalytic effect of GCF investments and support institutional learning.

GCF Policy: <https://www.greenclimate.fund/sites/default/files/document/policy-cofinancing.pdf>

No additional finance mobilized information provided.

File Name: 2025 APR grant-financial-progress-detail-FP085.xlsx

File Name: Report on AE Fee FP085 FY2025.pdf

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F. ENVIRONMENTAL & SOCIAL SAFEGUARDS, GENDER, and INDIGENOUS PEOPLES	
<i>This section provides an update against the ESS standards agreed as part of the Environmental and Social Action Plan (ESAP) and Environmental and Social Management Framework (ESMF), as well as Environmental and Social Management System (ESMS), Environmental and Social Impact Assessment (ESIA), Environmental and Social Management Plan (ESMP), Indigenous Peoples Plan (IPP), Indigenous Peoples Plan Framework (IPPF), Resettlement Action Plan (RAP), Resettlement Policy Framework (RPF) when applicable.</i>	
F.1. progress on key challenges and updates regarding Environmental and Social Safeguards	
Key Environmental and Social Changes <i>Have there been any changes in the key environmental and social risks and impacts? If you tick 'Yes,' please provide further information.</i>	Yes ☒ No ☐
Environmental and Social Safeguarding Updates <i>Have there been any change/update on environmental and social safeguarding? you tick 'Yes,' please provide further information.</i>	Yes ☐ No ☒
F.2. Compliance with laws and regulations applicable to ESS. Gender and Indigenous Peoples.	
Have there been any changes or updates regarding compliance with applicable laws and regulations of the country, as well as the relevant conditions or covenants under the FAA?	Yes ☐ No ☒
The project remains in partial compliance. A two-phase Corrective Action Plan (CAP) was implemented: Phase 1 addressed the most urgent Occupational Health and Safety (OHS) non-compliances and was successfully completed by 4 July 2025, enabling the resumption of suspended works. Phase 2, covering additional environmental and H&S measures, is ongoing. The NIPA manhole incident (determined not project-related) and ongoing H&S non-conformities indicate continued challenges. This non-compliance is the primary driver of the "At Risk" rating. Corrective actions are ongoing under CAP Phase 2.	
F.3. ESS standards implementation progress	
Does this reporting period include any ESS standards-related activities or updates?	Yes ☒ No ☐
<i>If you tick 'Yes', please provide further information to report on the progress made in complying with the requirements of the relevant ESS standards that were triggered during the approval of the funding proposal and during the reporting period, if any; and the GCF Indigenous Peoples Policy, if relevant, describing achievement and specifying details outlined in the tables below.</i>	
Activities implemented during the reporting period, including monitoring	

<i>Work suspension (May-July), implementation of H&S CAP Phase 1 and partial Phase 2, submission of semi-annual monitoring reports, engagement with communities regarding complaints, high-level coordination meeting with K-IV project stakeholders leading to a halt of their unsafe works.</i>	
Outputs during the reporting period	
<i>CAP Phase 1 completed, reports on H&S inspections, documentation of three major community complaints (Gulshan-e-Omar, UC11, UC07), an agreement to halt K-IV works pending safety approvals.</i>	
Key environmental, social and gender issues, risks and impacts addressed during implementation	
<i>Immediate work stoppage addressed the most critical non-compliances in Phase 1. The K-IV conflict was identified and a halt to their unsafe works was enforced.</i>	
Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention	
<i>Full and sustained implementation of CAP Phase 2. Resolution of all outstanding community complaints. Tracing and compensating remaining 484 DPs. Developing and approving an integrated H&S plan for the K-IV interface. Implementing corrective actions from the NIPA incident investigation.</i>	
Remarks/Notes	
F.4. Sub-projects information	
Have any subprojects been implemented?	Yes ☐ No ☒
N/A	N/A

F.5. Implementation of the stakeholder engagement plan	
Were any actions undertaken to increase engagement of relevant stakeholders in the project, particularly regarding environmental, social, and gender elements?	Yes ☒ No ☐
Activities implemented during the reporting period	
Community meetings were held in affected areas (Gulshan-e-Omar, UC 11, UC 07) to discuss grievances. A high-level Safeguards Task Force was constituted. High-level meetings were held with the World Bank and AIIB to coordinate on the K-IV interface. Additionally, the Stakeholder Engagement Plan (SEP) for the common corridor was prepared and has been under implementation since mid-2025	

Dates and venues of engagement activities
Ongoing throughout 2025 in project-affected neighborhoods and at TKC offices.
Sex-disaggregated data on stakeholder engagement participants (male + female = total)
Data from community meetings indicates continued participation, though specific numbers for 2025 are being compiled.
Information shared with stakeholders
Updates on corrective action plans for affected communities, schedules for utility works, and safety information.
Outputs including issues raised and addressed during the reporting period
While complaints were discussed, their resolution has been limited by contractor performance, leading to some escalation to ADB's formal grievance mechanisms
Remarks/Notes
N/A

F.6. ESS forward planning and lessons learned	
Are there any planned ESS activities for the next reporting period or lessons learned to share from this period?	Yes ☒ No ☐
Provide planned activities on environmental and social safeguards for the next reporting period	
1. Enforce full implementation of CAP Phase 2 with weekly monitoring and penalties. 2. Operationalize a strengthened GRM with a dedicated task force to resolve all outstanding community complaints. 3. Finalize and approve an integrated H&S plan for the K-IV works interface and ensure strict oversight. 4. Continue preventive measures for third-party hazards within the corridor (the NIPA manhole incident was determined not project-related, but proactive securing of manholes has been implemented). 5. Continue intensive efforts to trace remaining DPs.	
Provide any success stories, good practices, or challenges, including those related to the engagement of Indigenous peoples and local communities, promoting Indigenous knowledge and benefits to Indigenous peoples and local communities	
The near-catastrophic K-IV conflict demonstrates that robust cross-agency coordination and agreement on safety protocols are essential before works commence in shared spaces. The escalation of grievances highlights that grievance resolution is highly dependent on contractor performance, and that a well-documented GRM alone is insufficient without effective enforcement mechanisms. Proactive, empowered community liaison is critical.	
F.7. Grievance Redress Mechanism - confirmation & grievances	
<i>Please indicate whether the project can confirm the following statement:</i>	
Fully functional and operational Grievance Redress Mechanisms are in place, have been communicated to and are accessible by all stakeholders applicable to this project	
☒ The accredited entity confirms the statement above at project-level, AE-level, and GCF-level grievance mechanisms.	
☐ The accredited entity does not confirm the statement above	

Have there been any grievances received during the reporting period?	Yes ☒ No ☐
<i>Yes. Several new grievances were received, with outstanding complaints from previous years remaining unresolved. Key complaints formally documented include those from Gulshan-e-Omar Society (flooding/safety), UC 11 (CAP dissatisfaction, now with ADB's AM), and UC 07 (broken sewerage/damaged roads). The serious NIPA manhole incident (determined not project-related) was also documented as a community safety concern.</i>	
F.8. Implementation of activities and actions agreed in the Gender Action Plan	
Implementation of the GAP for the Karachi BRT project demonstrated moderate progress at the institutional and design levels, while several outcome indicators remain pending as the project is still in the construction phase. Achievements include continued gender sensitization and anti-harassment trainings, reconstitution of the anti-harassment committee, and progress in gender-inclusive recruitment, with women comprising 13% (9 of 69 staff), surpassing the 10% target. Significant advances were also made in integrating gender considerations into infrastructure and operations design, including segregated spaces for women, accessible station features (ramps and elevators), CCTV systems, helplines, gender-sensitive signage, and contractor requirements for a minimum of 20% female employment. Stakeholder consultations reached over 232 participants, including 50 women, highlighting concerns around safety, mobility constraints, and the need for women-focused transport services. However, key indicators—such as harassment reporting systems, ridership surveys, and sex-, age-, and vulnerability-disaggregated impact assessments—are yet to be initiated and are planned for the operational phase. Persistent challenges include low female participation in technical roles, socio-cultural barriers, construction-related disruptions affecting mobility, and the absence of a dedicated Gender Specialist. To address these gaps, the project will prioritize recruiting a Gender Specialist, finalizing monitoring systems, and operationalizing safety and feedback mechanisms ahead of service launch.	
Are there GAP implementation activities or progress to report for this period?	Yes ☒ No ☐
<i>Summary on Activities and Actions agreed in the Gender Action Plan (max. 200 words)</i> <i>Provide a progress report on the gender action plan developed during project preparation stage for the reporting period. This will primarily be a report on activities undertaken and results achieved because of completion of an activity. Further, it should also indicate if the project is on track to achieving the intended outcome(s). The reporting should be done for activities, targets and indicators already set in the action plan including on vulnerable groups (youth, poor, female heads of households, etc.) as would have been identified in the gender analysis and action plan. If activities or targets are not achieved as per plan, reasons should be provided, and recourse action should be proposed. Please include reporting on any changes or deviations. Include a Report on implementation challenges and lessons learnt and how these will inform on-going actions and what action will be taken by when to address the challenges faced. Incorporate both quantitative data and qualitative reports on the performance of such actions, and on progress on actions identified.</i>	
GAP Activity	
Recruit and retain a dedicated Gender Specialist for TransKarachi	
Indicator	
Gender Specialist position filled.	
Rating of Indicator	AMBER (needs attention to be met)
Baseline	0
Target, including sex-disaggregation where applicable	1

Annual progress update (Reporting Period)	
Position has to be advertised, recruited and filled, which has not yet happened.	
Cumulative progress update (Entire period)	
Position remains vacant.	
Budget	0
Currency	USD
Timeline (Planned completion of activity)	31 May 2026
Responsibility	
TransKarachi	
Remarks/Notes	
This remains an amber indicator. The absence of this role is a major institutional weakness. Mitigation: Recruitment must be an absolute priority for the new CEO in early 2026.	
GAP Activity	
Ensure contractor compliance with 10% female employment target.	
Indicator	
% of female staff employed by contractors/consultants.	
Rating of Indicator	RED (off track and unlikely to be met)
Baseline	0
Target, including sex-disaggregation where applicable	10
Annual progress update (Reporting Period)	
As of the reporting period, a total of 1048 individuals are employed across the project. Of these, 1044 are male and 4 are female, representing 99.62% male and 0.38% female participation. The breakdown is as follows: PMCS – 115 male, 4 female; Contractor – 929 male, 0 female. Female employment remains negligible against the 10% target. Female employment among contractors' site workforces remains negligible, well under 1%, against a target of 10%.	
Cumulative progress update (Entire period)	
No meaningful progress has been achieved since project start. The percentage of female employees has remained consistently below 1%, and in this reporting, period stands at 0.38%, which is even lower than the baseline of 0.5%.	
Budget	0
Currency	USD
Timeline (Planned completion of activity)	31 December 2026

Responsibility	
TransKarachi, contractors and consultants for the BRT project	
Remarks/Notes	
This is a persistent RED indicator. Despite contractual obligations, the contractor has employed zero female staff. Mitigation: The recent MOUs with contractors and new output-based payments provide an opportunity to link payments to demonstrable progress on gender targets. TKC and ADB will prioritize this issue in 2026 through targeted outreach and contractual enforcement.	
F.9. Gender Action Plan implementation review	
Is the gender expert for the project/programme engaged to support the implementation of the gender action plan? If engaged previously, please advise if the gender expert has been retained by the project/programme, including plans to engage another expert if a previously engaged expert has left the project/programme.	Yes ☐ No ☒
The Gender Specialist position remains vacant	
Has the implementation of gender action plan/s being implemented according to Funding Activity Agreements and GCF's Updated Gender Policy? Please ensure that the budget is included in the reporting above if it was indicated in the approved or updated gender action plan.	Yes ☐ No ☒
The implementation of the GAP is not on track. While the lack of a dedicated Gender Specialist is a contributing factor, the primary reason for the delay is that most GAP activities are scheduled for the operational phase of the BRT system. Due to the significant overall project delays (construction, procurement, claims settlement, etc.), the operational phase has been postponed, consequently delaying the corresponding GAP activities. The stalled implementation is therefore a direct consequence of the broader project implementation challenges.	
Are the planned activities, targets, indicators, timelines, etc. on track during the reporting period?	Yes ☐ No ☒
All GAP activities that are dependent on the overall project progress and the start of the operational phase are off track. The delays in civil works, bus fleet procurement, system control contracting, and other critical path items have directly pushed back the timelines for activities such as the "Safe BRT Travel Program" campaign, periodic ridership surveys, the post-BRT impact study, and operational-phase staffing targets. The project's "At Risk" safeguards rating further underscores the challenging implementation environment affecting the GAP	
Were there any revisions of the approved GAP during the reporting period? Please submit the updated GAP in Annex section of this APR and ensure that the updated GAP has details on each change.	Yes ☐ No ☒
There were no revisions of the approved GAP during this reporting period.	
Are the reported results on track to contribute to meeting the sex-disaggregated targets for the direct beneficiaries in the funding proposal, if applicable?	Yes ☐ No ☒

<i>the project is not on track to meet the sex-disaggregated ridership targets (15% female in first year of operations, increasing to 20%). This is because the BRT system is not yet operational due to overall project delays (civil works, fleet procurement, etc.). The targets are designed to be measured during the operational phase, not during construction. While the project has consistently provided sex-disaggregated data on stakeholder consultations throughout the design and construction phases, the fundamental precondition for achieving the ridership targets—the launch of BRT operations—has been significantly postponed. Therefore, the reported results cannot contribute to the final targets until the system becomes operational.</i>	
Has the project/programme experienced any implementation challenges that affect gender-related activities? If yes, please include lessons learnt and how they are informing ongoing actions.	Yes ☒ No ☐
<i>The primary challenge is the overall delay in the project time lines in addition to the inability to recruit and retain a qualified Gender Specialist. The persistence of cultural barriers in the construction industry remains the key challenge for contractor employment.</i>	
Were there any best practices identified, or case studies prepared on benefits/activities undertaken as agents of action by women and the female heads of households during the reporting period? Please share any case studies in the text boxes or in the Annex section of the APR.	Yes ☐ No ☒
<i>None were identified.</i>	
Provide planned activities on gender elements for the next reporting period	
1. Recruitment of a qualified Gender Specialist. 2. Develop and launch the "Safe BRT Travel Program" campaign. 3. Pilot an outreach program with contractors to identify and train women for specific operational roles. 4. Reconstitute and train the project-level GRM to be gender-responsive. 5. Create a committee to address workplace harassment complaints in line of Government of Pakistan requirements	

G. ANNEXES (UPLOADED)
Annex 1: GHG emission reduction calculation methodology (for projects reporting GHG emission reductions) and details on the calculations of the annual and cumulative value.
File Name: Annex 1 GCF Pak GHG and SDG calculations 1.2026.xlsx
Annex 2: Communication and visibility material
No annexes provided.
Annex 3: List of grievances received
File Name: Annex 3 Total Complaints GRM -2025.xlsx
Annex 4: Procurement information
File Name: Annex 4 -L3799-PAK Updated Procurement Plan-MTR_March26.docx
Annex 5: Updated implementation timetable for the Funded Activity for the following year
File Name: Annex 5 - Karachi BRT RP - Revised Implementation Chart 2019-2028.xlsx
Annex 6: Updated Gender Assessment and/or Action Plan
No annexes provided.
Additional Annexes (if applicable)
File Name: A.G Report - AFD.pdf File Name: A.G Report - AIIB..pdf File Name: Signed Audited Report June 2025.pdf

