

KARACHI WATERFRONT PROJECTS

Project Descriptions, Civil Society Concerns and Developers' Profiles

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Preamble:

Several waterfront development projects have been proposed for the coastal city of Karachi. These include the Sugarland City, the sale of islands for the development of Diamond Bar City and the DHA Waterfront development. Each of these projects have raised civil society concerns and reactions. The projects are briefly discussed below.

1. PROJECTS

1.1 Sugarland City

A. Introduction

-) Involves development (privatization) of city's public beaches e.g. Hawksbay, Sandspit, Manora and Cape Monze
-) The "new city" is said to contain residential, commercial, recreational and entertainment facilities in state of the art, master-planned communities
-) Initiated by "Limitless" (estate developer launched by "Dubai World") – Sugarland City is going to be the first overseas project for Limitless
-) Limitless is the first integrated real estate developer launched by Dubai World- a private developer
-) Dubai World happens to be the parent company managing and supervising a portfolio of businesses and projects
-) MoU signed between Pakistan's Minister of State and Privatization and investment and Dubai World chairman
-) High level meeting chaired by Prime Minister (June 24, 2006) and during the meeting
 - o A number of important directives were given to different ministries including those of Ports and Shipping, Defence, as well as the Government of Sindh
 - o It was decided that that a premature cancellation of leases would take place as individuals have huts located there, which are given to them on lease
 - o It was decided that there should be a proper mechanism for shifting the navy and cantonment board's facilities located at Manora to the navy land at Cape Monze
 - o It was decided that the due to the vast area, development would take place in phases
 - 1st Phase: Manora area in conjunction with Sandspit area and the area behind it in the Karachi Port Trust's (KPT) Western back

waters upto KPT's land limits with Hawksbay be offered to the Group

- 2nd Phase: While developing Hawksbay Beach Front, it should be ensured that portions are available for the general public for recreational purposes
-) Citizens demanded that according to common-law 'Public Trust Doctrine': All citizens must have 100% access to the beaches for swimming, fishing, boating, recreation, ocean gazing, etc. There must be no 'private' beaches (Roland deSouza's letter to EDO, CDGK, dated)
-) Around 65,000 acres of land (size of Washington) with total investment of US \$ 68 billion (?) to be given to Limitless (The News, 25 May 2007)

B. Civil Society Objections/Actions/Movements

Pakistan Mahigeer Tahreek (The Movement of the Indigenious Coastal Fisherfolk Communities of Pakistan)

-) Produced position letter referring to the project as "Development to Destroy Nature and Displace People" (September, 2007)
-) Letter was an outcome of consultations with various stakeholders especially local communities and according to the letter:

The project poses a threat to the Ecosystem:

-) Major breeding point of the green turtle located in Hawksbay
 - Mega construction themes may not only disturb this fragile eco-system but may also devoid area from green turtles if proper environmental management is not carried out
-) Backwaters contain mangroves
 - Resting place to migratory birds
 - Serve as nursery for shrimp and several fish species
 - Forest used for fodder and fuel by local fishing communities
 - Construction work and vehicular movement will cause deterrence to birds and mangrove ecosystem may be severely damaged or threatened
-) Karachi lies at the confluence of the Arabian, Indian and Asian tectonic plates and sub-duction of the plates gives rise to cyclones
-) Construction on soft soil near the sea may result in seismic damage or liquefaction of soil

The Project poses a threat to the Social Environment:

-) Lower and lower middle income Karachiites will no longer be able to go to the beaches in search of recreation and entertainment
-) Increase divide between the rich and the poor

Fishing communities have been here for centuries

-) Project will have far reaching impacts on their livelihood

- Survival is dependent on subsistence fishing and beach related leisure activities
-) No details given regarding compensating and benefiting these local communities and given past records, one cannot expect much from the Port Qasim Authority (PQA)
 - PQA has been built in 1975 for which 20,000 acres were acquired on the coast in addition to 15,000 acres acquired from the Sindh government demolishing a total of 35 villages
 - On May 11, 1981 an agreement was signed promising that all affectees would receive compensation along with resettlement, however, only one village received some compensation without the remaining 34 receiving anything
 - PQA from 1974 to 1990 employed 2,200 people but only 79 were from the affected villages thus the Authority ended up ignoring almost all agreements and instructions that were given by the government on local employment
 - Port Qasim acquired villages for port activities but now the same land is being allotted to private concerns for commercial purposes and despite hundreds of production units operating on the same land, the villagers have never received any benefits from this development on their land

Karachi Strategic Development Plan 2020 (KSDP 2020) does not support the project

-) KSDP 2020 calls for the adoption of the provisions of the Karachi Coastal Recreation Development Plan 1990-2000, according to which the area is to be used for recreation and identified as sensitive ecological areas marked for protection and conservation
-) The plan explicitly states: “The coastal sea and its back-water and creeks provide a source of livelihood to fishing communities who live on the coast. The fisherman must enjoy free access to their traditional grounds in the sea, backwaters and creeks. For any development to be sustainable and acceptable, the historical rights of the communities to the sea and the coastal village land they occupy ought to be respected.”
-) According to section 4.8 of the KSDP 2020 with regards to Waterfront Development: “Reclamation along any section of the sea front either on the landward side or the bordering sea would not be advised as it would impact seriously the harbor regime. The same restriction holds for the mud flats, marshes and back water creeks, which in no way be allowed to undergo artificial morphological change detrimental to the existing hydrological environment, in particular around the Karachi Port.”
-) KSDP 2020 states: “The fishing community settled in coastal villages should not be forced to abandon their lands or source of livelihood. The local villages should not be dispossessed and their village lands not acquired by the government.”
-) Section 7.4.21 of KSDP 2020 states: “Public access to beaches must be free and unhindered as a mandatory requirement...and no development shall be allowed in areas upto 150 meters from the high water mark.”

1.2 Sale of Islands for Development of Diamond Bar City

A. Introduction

-) PQA has decided to sell two of the islands under its control (Bundal and Buddo) to Dubai-based Emaar (one of the world's largest real estate companies)
-) The islands measure about 12,000 acres in total and were sold for \$42 billion
-) At the moment, access to the islands is only by boat and so a \$50 million bridge is being built by the federal government connecting the islands to Karachi Defense Phase 8
-) A Memorandum of Understanding was signed between PQA officials, Irfanullah Marwat (representing the Sindh Government) and Emaar representatives
-) Port Qasim Authority plans to develop a mega project in collaboration with Emaar with aims to develop 15,000 housing units and commercial facilities
-) The project involves the construction of a modern city (Diamond Bar Island City) over the 12,000 acres of land comprising of residential, commercial and leisure real estate projects, industrial park, free trade zone and port terminals with an estimated cost of \$43 billion within 13 years

B. Civil Society Objections/Actions/Movements

Legal Aspects

-) The Indus delta is the fifth largest delta in the world and these islands are protected under international commitment as Pakistan since 1976 has been a signatory to the Ramsar Convention, which is focused on the conservation of Wetlands
-) Wetlands have been described as being 'environmentally sensitive' zones and any development is subject to assessments, however, the Pakistan Environmental Protection Act of 1997 is often violated when projects are state-led or state-supported
-) The Pakistan Poverty Reduction Strategy Paper and the Sindh Government Medium Term Development Framework talk about a commitment to improve natural ecosystems by increasing forest cover but the contrary will happen as the islands are developed
-) The Pakistan Government announced an Environment Policy in 2005 and according to Section 8.2.1, the government targets to increase forest cover from 4.8% to 5.7% by 2010 and 6% in 2015

Ecological Issues

Marine Life

-) The sea is already polluted with 300 MGD (million gallons daily) of the city's untreated waste and construction of the new city would further pollute the waters, causing great threat to marine life
-) With fewer fish there will be an increase in the unemployment ratio among the fisherfolk
-) Development of the islands will encourage more investors into the areas and they will eventually earn at the cost of lives of the members of the fishing community

Mangroves

-) Mangrove forests are adjacent to the twin islands and come under the proposed 12,000 acres of land and these forests will not stay intact in the new city
-) Mangroves serve as breeding grounds for fish and shrimp
-) 60-80% of the world's commercial fisheries catch is from the mangroves habitat and so the systematic elimination of mangrove barrier will deprive fishermen from their livelihood
-) Removing mangrove shield may expose the coastal areas to tidal and cyclonic disasters
-) The Indus Delta Shelf is extremely rich in its fishery resources mainly because it receives its nutrients from the mangrove swamps, which serve as a nutrient reservoir for the adjacent continental shelf
-) The mangroves provide fuel and fodder to the communities
-) Birds use this habitat as roosting, feeding and breeding grounds.
-) Mangrove forests are part of a unique natural ecological system and their loss cannot be compensated by man-made forest plantations

Socio-Economic Issues

-) 10th century tomb of Yousaf Shah (brother of Abdullah Shah) on one of the islands and people from all over Sindh visit the tomb
-) The communities of migratory fishermen reside on these islands and have been for decades
-) The islands also serve as a multi-purpose joint property for all fishermen communities and has been doing so for a long time
-) The only source of livelihood for the fishermen living on or near the islands is fishing and thus the project will cause colossal damage to their livelihood
-) Thousands of fishermen fish in creeks and many of them rest on the Buddo and Bandal islands where they dry fish and clean their nets and upon development of the new city, they will no longer be able to do so
-) The area between the reclaimed land of the DHA and Buddo Island is a path for the fishermen to go in the open sea and also serves as a passage for hundreds of boats going out of fishing villages (including Ibrahim Hyderi and Rehri among

others) and coming back with their catch but upon development of the city, these people will be denied entry in the open sea, depriving millions from the right to live

The Stance and Struggle of the Pakistan Fisherfolk Forum (PFF)

-) The PFF strongly condemns the construction of the new city
-) The development would result in poverty and hunger among 8 million fisherfolk who have been historic inhabitants of the coast and have traditionally been earning their livelihood at the coast
-) The PFF convened a meeting to discuss the sale of the islands at Hotel Mehran in Karachi on the 9th of October, 2006
-) A hunger strike was observed by the PFF on the 7th of November
-) On the 13th of December, the PFF observed a hunger strike against the construction of the Diamond Bar Island City and the forced displacement of fishermen
-) On the 20th of December, the PFF convened an All Parties Conference (APC) at Hotel Mehran in Karachi to develop a consensus amongst the political parties and other civil society organizations for collective action and protest against the government's decision
-) On the 5th of January, the PFF convened a meeting at Sacahl Hall Ibrahim Hyderi in Karachi, which aimed to accelerate the campaign against the government's stance
-) On the 10th of January, the PFF observed a black day and a shutter down strike throughout Sindh in collaboration with political parties and the rest of civil societies

1.3 DHA Waterfront Development Project

A. Introduction

-) DHA plans to convert 14 km of “virgin, unspoilt waterfront” into a \$600 million series of playgrounds and leisure/pleasure spots
-) Involves the “reclamation of 74.5 acres of land for a high-end hotel complex”, “5-star hotels owning private segments of the beach” and a “private beach with lagoon for hotel and residential blocks”
-) Clifton Beach is accordingly divided into 7 zones with the involvement of American and Dubai-based companies in the entire enterprise (despite the WWF's *Living Planet Report* of 2006 which revealed that Dubai's consumption exceeds its ecological resources by 1,400%)
-) Dubai-based Emaar's “Crescent Bay Project” will include a 7-star hotel and 4,000 super luxury apartments with private beaches and lagoons
-) Project is supposed to be completed by 2015
-) 20% of the beach will not be available to the public but even the remaining 80% that is meant to be available is beyond the disadvantaged and the poor's economic power to access

-) An overall of 82% of the open sea is now inaccessible to the common man due to all the development that has taken place in between the sea and road

B. Civil Society Objections/Actions/Movements

Legal Aspects

-) DHA project is a clear violation of the Doctrine of Public Trust principle, which guarantees public access to beaches even if they are privately owned
-) Violation of Section 12 of the Environment Protection Act 1997 and also of the Pakistan Environment Protection Agency Regulations 2000
-) The Sindh Government Notification of May 1975 prohibits the leasing of land within the area of the ports or seashore limits
-) Whether or not DHA has the right to give away land in public trust is questionable
-) Beaches around the DHA are said to be within the limits of the KPT and the PQA not DHA
-) KPT went to court against DHA taking over the beach but the case was later withdrawn by KPT, saying an agreement with DHA had taken place
 - o The agreement involved KPT leasing the land to DHA for 99 years at a minimal rate of Rs.2.50 per square meter (while private valuation puts the cost of the land at billions of rupees)
 - o In exchange, it was agreed that KPT would get 3 per cent of the leased land but this is supposedly unavailable and as a result land in DHA II, off Super Highway will be given to KPT in the form of residential plots
 - o The allotment of 3 per cent land was meant for permanent KPT employees and for those who had completed five years of service according to the KPT rules but KPT the allotment list submitted to the DHA includes a number of officers who are ineligible under the rules and four plots have been allotted to the high-ups in the Federal Ministry of Ports and Shipping
-) The project must undergo environmental assessment under the laws (as beaches are included as 'sensitive areas')
-) Article 9 of the Constitution about promoting the quality of life of all citizens is also in violation as the project only promotes the well-being of those who can use and afford the facilities it is offering

Environmental Issues

-) DHA is already discharging sewage into Clifton Bay as well as being incapable of managing the solid waste issue along the beach and with the proposed development, the sewage and solid waste issues are likely to worsen
-) Development between the coastal roads and the Karachi beach comes in the way of the preservation of bio-diversity as well as the natural environment
-) People will no longer be able to access the beach in its natural condition and will no longer be able to see the wildlife (especially during the winters)

Socio-economic Issues

-) Fishing communities will be deprived of their income and livelihoods
-) Hawkers/jugglers/performers, etc. have already gotten replaced by expensive food outlets and after further development, the lower middle income groups will be further marginalized
-) People with plots and houses along the beach will no longer be able to view the sea
-) Residents made a case against the project and Shehri became party to the case
-) Movement 'Sahil Bachao Tehreek' initiated for the project
-) Urban Resource Center managed to get 5000 signatures of people against the project

Ecological Aspects

-) Cyclones/tsunamis?
Cyclones are not highly uncommon in the province of Sindh. The worst one took place in 1902 and left what is now the city of Karachi entirely flooded and submerged.

DHA Claims:

-) Project will provide employment
Unemployment exists in Karachi due to a lack of skills and there is an absence of institutions that teach these skills so as a result government should build such institutions instead, which will also be at a fraction of the cost
-) Risk of eventual *katchi abadis* along the coast
This is highly unlikely as evidently not an inch of land can be occupied without the approval of the authorities and officials involved and there are none along this stretch of beach

2. Civil Society Organizations Involved

-) **Sahil Bachao:** An organization consisting of prominent citizens including two retired judges of the Supreme Court of Pakistan
-) **Shehri for a Better Environment:** It is a Karachi based NGO, popularly known as *Shehri* and has a long tradition of struggling for better governance and imposition of bylaws as well as building regulations pertaining to land use
-) **Pakistan Fisherfolk Forum (PFF):** It is a network of fishing communities
-) **Mahigeer Tehreek:** It is a network of fishing communities
-) **Dharti:** It is a civil society organization formed for promoting a better physical and social environment for Karachi and was created as a response to the three projects listed above
-) URC

3. Developers interested and/or involved with the waterfront projects

3.1 Emaar

Introduction

-) Emaar is a Dubai-based Public Joint Stock Company
-) It is listed on the Dubai Financial Market and is part of the Dow Jones Arabia Titans Index
-) It has highlighted the remarkable global growth of the company by debuting on the 2007 Financial Times Global 500 ranking
-) One of the world's largest real estate companies and is rapidly evolving to become a global provider of premier lifestyles

Financial Turnover

-) growth rate of 35% in annual profit for 2006 compared to 2005
-) annual net profit of US \$1.735 billion compared to US \$1.288 billion in 2005
-) annual revenue increased by 68 % from US \$2.276 billion to US \$ 3.813 billion

Aim:

From property development, it intends to expand further (retail, health, education, finance) to become one of the “world’s most valuable companies in less than five years” and a “non-stop, global solution provider”

Corporate Mission:

EMAAR being synonymous to “Quality lifestyle across the globe”

PAKISTAN:

In May 2006 Emaar announced three real estate developments in the cities of Islamabad and Karachi in Pakistan, all of which are expected to be completed in the next 4 to 5 years. The projects with a total investment of US\$2.4 billion will include a series of master planned communities that will set new standards in commercial, residential and retail property within Pakistan

The Highlands and Canyon Views, Islamabad

-) Canyon Views is a 1000 acres project
-) Emaar has planned approximately 4500 units; 2650 Townhouses & Villas and 1850 units in mid rise buildings in a range of architectural styles with easy access to amenities including retail centres, community club houses, parks, lakes, schools and mosques

-) The Highlands development is located within the Defense Housing Authority Islamabad (DHAI) Phase 1 extension and Canyon Views within the DHAI Phase 2 extension
-) Offering 50 separate community districts with their own individual identity, a spectrum of architectural styles ranging from Mediterranean, Tuscan, Mughal, Arabic and Spanish, will be available to select from

Crescent Bay, Karachi

-) A 108 acres of reclaimed land development featuring high and mid-rise towers for residential (4,000 residential apartments) and commercial use, a shopping centre and five star beachfront hotel
-) Crescent Bay is located within Karachi's DHA Phase 8 and in close proximity to the DHA golf course. It will offer individual architectural styles for each tower within the development

Credentials and Undergoing Projects

India: Mohali Hills (Villas, Views and central plaza at Mohali Hills), Palm Springs, Palm Square, Palm Drive, Esplanade, Boulder Hills

Jordan: Samarah, Dead Sea Golf and Beach Resort

Saudi Arabia: Abraj Al Hilal, Jeddah Hills, Jeddah Gate, King Abdullah Economic city

Egypt: Uptown Cairo, Marassi, Cairo Gate, New Cairo City

Morocco: Tinja, Bahia Bay, Amelkis II, Oukaimeden, Saphira

Syria: Eighth Gate

Tunisia: Marina Al Qussor

Turkey: Tuscan Valley, Istanbul

UAE: Arabian Ranches, Downtown Burj Dubai, Dubai Marina, Emaar Golf Homes, Emaar Towers, Emirates Hills, The Greens, The Lakes, The Meadows, The Springs, The Views, Umm Al Quwain Marina

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3.2 Limitless**Introduction**

-) Limitless is an integrated Real Estate Development company and is a business unit of Dubai World, one of Dubai's leading business groups
-) Limitless was set up in July 2005, with the key objective of diversifying and globalizing Dubai's portfolio of leading development companies by leveraging the know-how and exposure gained by Dubai World's real estate initiatives
-) Limitless plans on partnering with leading providers of real estate services including asset, property and facility management companies, therefore enabling Limitless to offer an integrated development value proposition to its customers

Vision:

"To be a leading global real estate developer across market segments, delivering distinctive and sustainable developments."

Real Estate Development Philosophy:

-) Developing innovative (distinct) and insightful ways to fulfill user needs
-) Demonstrating unique expertise in executing our projects
-) Consistently delivering projects on time and budget
-) Providing unique investment opportunities to investors
-) Providing a distinctive platform for association to our business partners

Credentials:

-) The Palm Jumeirah
-) The World
-) Jumeira Islands

Undergoing Projects:

-) Downtown Jebel Ali, Dubai

-) Arabian Canal, Dubai
-) Al Wasl, Riyadh, Saudi Arabia
-) Halong Star, Halong Bay, Vietnam
-) Bidadi, Bangalore, India

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3.3 Dubai World

Introduction

-) “Dubai World is Dubai’s flag bearer in global investments” (www.dubaiworld.ae)
-) It is one of the largest holding companies in the world and focuses on Development, Hospitality, Investment, Commodities, Marine Services and Ports and Free Zones
-) As a holding company it operates a highly diversified spectrum of industrial segments and plays a major role in the emirate's rapid economic growth
-) Its primary aim is to “play the role of a growth engine that powers development both locally and internationally”
-) With over 50,000 employees and offerings in over 100 cities, Dubai World is bringing together some of Dubai’s most significant companies as well as leading international firms to create a powerful growth engine
-) Dubai World's investment spans four strategic growth areas of 21st Century commerce namely, Transport & Logistics, Drydocks & Maritime, Urban Development and Investment & Financial Services

Vision

”Our vision is to become the foremost holding company, playing a key role in the global economy and leveraging our strengths to create outstanding shareholder value”

Mission

”Our Mission is to generate global socio-economic growth and sustainable stakeholder wealth through diversified investments, executing innovative projects and key strategic partnerships”

Portfolio

Its portfolio comprises some of the world’s best known companies and a number of outstanding projects. This includes DP World, one of the largest marine terminal operators in the world; Drydocks World & Dubai Maritime City designed to turn Dubai into a major ship-building and maritime hub; Economic Zones World which operates several free zones around the world including Jafza and TechnoPark in Dubai; Nakheel the property developer behind iconic projects such as The Palm Islands and The World among others; Limitless the international real estate master planner with current development projects in various parts of the world; Leisurecorp a global sports and leisure investment group, reshaping the industry by unlocking value across investment, development and brand opportunities; Dubai World Africa which oversees the regional development and portfolio of investments in the African continent.; and Istithmar World, the group's investment arm that has a global footprint in finance, capital, leisure, aviation and various other business ventures.

Recent Projects

-) Arabian Canal, Dubai
-) Downtown Jebel Ali, Dubai
-) Jemeirah Park, Dubai
-) London Gateway Terminal, UK
-) V & A Waterfront, South Africa
-) Vancouver Terminal, Canada

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3.4 Nakheel

Introduction

-) “Nakheel is the force turning the vision of Dubai into reality”
-) It is Dubai’s “premier” development company
-) When complete, projects such as the Palm Trilogy, the World and Waterfront will add more than 600 miles of beachfront to the Dubai coastline and cover over 2 billion sq ft.
-) It has donned Dubai with “with landmarks of ingenuity, distinctive residential communities, unique retail offerings and unprecedented investment opportunities”
-) Its focus is on building icons that “embody innovation and progress, creating a legacy of value for generations to come”
-) Nakheel is the only property development company in the Arabian Gulf with dedicated experts working full time in the area of environmental research and development

Vision

“We are inspired as people, and inspire others to achieve remarkable things. We are making a huge contribution to the improvement of people’s lives and opportunities”

Nakheel shares the same vision and feeling for humanity that Sheikh Rashid expressed and that was carried through by Sheikh Mohammed for a better way of life for his people.

Developments

Palm Jemeirah, Palm Jebel Ali, Palm Deira, The World, Waterfront, Jemeirah Islands, Jemerirah Village, Jemeirah Park, Jemeirah Heights, Ibn Battuta Mall, Discovery Gardens, International City, The Gardens, Al Furjan, Dragon Mart, Dubai Promenade, Mina Rashid, The Universe

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