

ASIAN DEVELOPMENT BANK MEMBER FACT SHEET

Afghanistan: 2017 Committed Loans, Grants, and Technical Assistance (\$ million)

Loans		Technical Assistance	Grants	Total
Sovereign	Nonsovereign			
-	-	6.53	464.76	471.29

- = nil.

Notes:
Commitment is the financing approved by the ADB Board of Directors or Management for which the investment agreement has been signed by the borrower, recipient, or the investee company and ADB.

Grants and technical assistance include ADB-administered cofinancing.

Afghanistan: Cumulative Lending, Grant, and Technical Assistance Commitments^{a, b, c}

Sector	No.	Total Amount (\$ million) ^d	% ^d
Agriculture, Natural Resources, and Rural Development	50	663.46	12.27
Education	2	4.10	0.08
Energy	40	1,716.05	31.73
Finance	5	67.64	1.25
Health	1	3.00	0.06
Industry and Trade	5	8.09	0.15
Multisector	3	183.29	3.39
Public Sector Management	15	76.39	1.41
Transport	44	2,671.40	49.39
Water and Other Urban Infrastructure and Services	1	15.00	0.28
Total	166	5,408.42	100.00

^a Grants and technical assistance include ADB-administered cofinancing.

^b Includes sovereign and nonsovereign loans and technical assistance.

^c Using primary sector in reporting of commitments.

^d Numbers may not sum precisely because of rounding.

Afghanistan: Ordinary Capital Resources Nonsovereign Commitments by Product, 2007–2017

No. of Transactions Signed	Amount (\$ million)
Loans	60.00
Equity Investments	-
Guarantees	-
Total	60.00

- = nil.

ADB's assistance to Afghanistan is fully aligned with government priorities in transport; energy; and agriculture, natural resources and rural development.

AFGHANISTAN

Following a hiatus from 1980 to 2001, the Asian Development Bank (ADB)—in collaboration with other development partners—is supporting Afghanistan's national development strategies and priority programs to establish a stronger foundation for economic growth and poverty reduction.

Despite marked improvements since 2002, Afghanistan still faces a severe infrastructure deficit that negatively affects the country's growth potential and job creation. Under the new country partnership strategy, 2017–2021, ADB continues to focus on infrastructure development in Afghanistan and is supporting the country's reform priorities. ADB directs its financial assistance to improve the country's position in transport; energy; and agriculture, natural resources and rural development.

Afghanistan was a founding member of ADB in 1966, and has since been supported by ADB over two periods. Cumulative lending to Afghanistan totals almost \$963.1 million, and committed grants total \$3.4 billion.

Cumulative disbursements to Afghanistan for lending and grants financed by ordinary capital resources (OCR), the Asian Development Fund, and other special funds amount to \$2.11 billion.

ADB-SUPPORTED PROJECTS AND PROGRAMS

ADB was one of the first organizations to respond to the need to repair Afghanistan's transport system, which had been destroyed by years of war. Since 2002, ADB has provided \$2.2 billion for 17 key road projects to construct or upgrade over 1,700 kilometers (km) of regional and national roads across Afghanistan. This included \$808 million for the Transport Network Development Investment Program, which will finance construction of 570 km of regional and national roads. In



2017, ADB helped the Government of Afghanistan develop a comprehensive Transport Sector Master Plan Update, which will help Afghanistan develop its transport infrastructure through to 2036. ADB is also financing the rehabilitation of 232 km of ring road, as well as supporting a feasibility study and engineering design for a new Salang Tunnel, as part of the Central Asia Regional Economic Cooperation Corridors 5 and 6. Meanwhile, ADB has helped rehabilitate four regional airports in Afghanistan. It supported the establishment of the Afghanistan Railway Authority and funded the first rail line between Uzbekistan and Afghanistan, which carried 3.9 million tons of freight between the two countries in 2017. ADB also helped complete the feasibility study for 813 km of rail line to connect Afghanistan with Turkmenistan and Tajikistan.

As the largest on-budget development partner to Afghanistan's energy sector, ADB has helped deliver reliable electricity to more than 5 million people across the country. Those in Kabul used to receive only 4 hours of power each day, while other cities were even worse off in the first decade of the 2000s. ADB has provided nearly \$1.18 billion to support energy infrastructure in Afghanistan, with an additional \$600 million planned for 2018–2024. These

projects include the construction of 1,500 km of power transmission lines, 16 substations, 143,000 new power distribution connections, and 10 gas wells, to strengthen the country's energy supply chain. In 2017, ADB approved a \$44.76 million grant to develop Afghanistan's first 20 megawatt, on-grid solar power plant and boost the country's renewable energy generation and supply. Key regional energy projects for Afghanistan include a Turkmenistan–Afghanistan–Pakistan–India gas pipeline, a Turkmenistan–Uzbekistan–Tajikistan–Afghanistan–Pakistan electricity transmission project, and a Turkmenistan–Afghanistan–Pakistan power interconnection project.

To increase agricultural productivity, improve rural livelihoods, reduce postharvest losses, and enhance water resources management, ADB has provided \$575 million for irrigation and agricultural infrastructure. About 300,000 hectares of irrigated land have been rehabilitated and upgraded, with work continuing on an additional 300,000 hectares.

NONSOVEREIGN OPERATIONS

As a catalyst for private investments, ADB provides direct financial assistance to nonsovereign public sector and private sector transactions in the form of direct

loans, equity investments, guarantees, B loans, and trade finance. In 2017, \$3.17 billion of financing for 29 nonsovereign transactions funded by ADB's own resources were approved. Total commitments achieved in 2017 amounted to \$2.29 billion for 27 transactions. Both OCR approvals and commitments were at record highs in 2017. Around \$5.9 billion of cofinancing from commercial and official sources were mobilized. Total OCR outstanding balances and commitments of ADB's nonsovereign transactions as of 31 December 2017 amounted to \$10.9 billion.

COFINANCING

Cofinancing operations enable ADB's financing partners, governments or their agencies, multilateral financing institutions, and commercial organizations, to participate in financing ADB projects. The additional funds are provided in the form of official loans and grants, technical assistance, other concessional financing, and commercial cofinancing such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under ADB's Trade Finance Program and Supply Chain Finance Program.

From 1973 to the end of 2017, cumulative official cofinancing commitments for

Afghanistan: Project Success Rates

Year	Success Rate (%)	No. of Independently Evaluated Projects and Programs
2010	66.7	3
2011	100.0	1
2012	0.0	3
2013	0.0	1
2017	100.0	1
Total	44.4	9

Note: "Year" refers to the circulation year of the project completion report (PCR). Compared with the numbers in previous years' *Fact Sheet*, the success rate reported here are based on the ratings from validated PCRs and independently evaluated performance evaluation reports only and does not include self-evaluations. With small sample size, the success rate does not necessarily represent country operations performance.

Source: PCR validation reports and project/program performance evaluation reports ratings database as of 31 December 2017.

Afghanistan: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2016–2017

	2016 (\$ million)		2017 (\$ million)	
	2016 (\$ million)	2017 (\$ million)	2016 (\$ million)	2017 (\$ million)
No. of Ongoing Loans ^a (as of 31 Dec 2017)				1
Contract Awards ^{b, c}	0.00	0.00		
Disbursements ^b	9.19	0.33		
No. of Ongoing Grants ^a (as of 31 Dec 2017)				26
Contract Awards ^{b, c}	403.50	252.80		
Disbursements ^{b, d}	175.38	188.0		
Actual Problem Projects (%) (as of 31 Dec 2017)				17

0.00 = less than \$50,000.

^a Based on commitments.

^b Includes closed loans/grants that had contract awards or disbursements during the year.

^c Excludes policy-based lending/grants.

^d Includes only Asian Development Fund and other ADB special funds.

Afghanistan: Projects Cofinanced, 1 January 2013–31 December 2017

Cofinancing	No. of Projects	Amount (\$ million)
Projects ^a	12	696.35
Grants	11	681.35
Official loans	1	15.00
Technical Assistance Grants	8	16.92

^a A project with more than one source of cofinancing is counted once.

Afghanistan: Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects

Item	2016		2017		Cumulative (as of 31 Dec 2017)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	152.62	1.35	23.91	0.23	873.20	0.52
Consulting Services	7.28	1.16	0.94	0.13	19.90	0.17
Total Procurement	159.90	1.34	24.86	0.22	893.09	0.49

Top 5 Contractors/Suppliers from Afghanistan Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2013–31 December 2017

Contractor/Supplier	Sector	Contract Amount (\$ million)
Rauf Aziz Construction and Supply Co.	TRA	132.56
MAB-HKCC (JV)	TRA	52.20
Afghan Sadaqat Road and Building Construction Co.	ANR	18.25
Irrigation System Development	ANR	16.01
Afghanistan Public Protection Force	TRA	10.45
Others		116.15
Total		345.61

ANR = agriculture, natural resources, and rural development; TRA = transport.

Top 5 Consultants from Afghanistan Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2013–31 December 2017

Consultant	Sector	Contract Amount (\$ million)
Mashriq Engineering Construction Co.	TRA	3.60
Alliot Gulf Ltd.	TRA	0.16
Empowerment Center for Women	PSM	0.10
Zeeshan Ali & Co.	ANR	0.10
Frants & Co. & Zeeshan Ali & Co. (JV)	ANR	0.05
Individual Consultants		7.47
Others		0.04
Total		11.52

ANR = agriculture, natural resources, and rural development; PSM = public sector management; TRA = transport.

Afghanistan amounted to \$978.10 million for 29 investment projects and \$28.11 million for 18 technical assistance projects. Cumulative direct value-added commercial cofinancing for Afghanistan amounted to \$11.20 million for one investment project.

In 2017, Afghanistan received \$60.00 million grant cofinancing from the Afghanistan Infrastructure Trust Fund for the Energy Supply Improvement Investment Program—Tranche 4, and \$15.00 million loan cofinancing from the Islamic Development Bank for the Energy Supply Improvement Investment Program—Tranche 3.

A summary of projects with cofinancing from 1 January 2013 to 31 December 2017 is available at www.adb.org/countries/afghanistan/cofinancing.

PARTNERSHIPS

ADB provides Afghanistan with in-depth experience in building partnerships to deliver projects—especially those in infrastructure and regional cooperation—in fragile and conflict-affected situations. ADB collaborates closely with the government to promote the Afghanistan Infrastructure Trust Fund to donors who wish to finance infrastructure projects in the country.

ADB facilitates cooperation with nongovernment organizations to implement grant projects financed through the Japan Fund for Poverty Reduction. These projects include the introduction of community development councils and the promotion of farmers' cooperative associations.

ADB also cooperates with civil society organizations and maintains close

engagement with the private sector to improve Afghanistan's business environment. ADB continues to promote public-private partnerships in Afghanistan, to attract greater investment and deliver more sustainable operation and maintenance of critical infrastructure.

PROCUREMENT

Each year, ADB provides loans, grants, and technical assistance to fund projects and activities in its developing member countries; and several billion dollars in contracts to procure goods, works, and consulting services. Most contracts are awarded on the basis of international competition, which is open to firms and individuals from any ADB member, regional or nonregional.

Share of ADB's Procurement Contracts

Goods, Works, and Related Services

ADB's procurement contracts in Asia and the Pacific for goods, works, and related services under loan and grant operations totaled \$11.28 billion in 2016 and \$10.43 billion in 2017. Cumulative procurement since 1966 was \$169.12 billion covering 211,316 contracts.

In Afghanistan, 1,567 contracts worth \$873.2 million were awarded to contractors and suppliers since 1966.

Consulting Services

ADB's procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations totaled \$627.79 million in 2016 and \$741.84 million in 2017. Cumulative procurement since

1966 was \$12.02 billion covering 55,420 contracts.

In Afghanistan, 264 contracts worth \$19.9 million were awarded to consultants since 1966.

OPERATIONAL CHALLENGES

Afghanistan's recent history has presented the country with several daunting challenges to its development progress. The difficult security situation and political discord continue to cause economic uncertainty, affecting business conditions and consumer confidence.

Afghanistan must explore avenues to expand capacity in a large informal economy and to rein in drug trafficking. The government is also confronted by the need to reform policy and institutional frameworks, improve transparency and accountability, and achieve greater operational efficiencies.

These challenges have made project implementation more difficult and have increased the costs of ADB-supported projects.

FUTURE DIRECTIONS

ADB assistance to Afghanistan is closely aligned with the country's National Peace and Development Framework, its self-reliance and reform agendas, and its national priority programs.

ADB operations in Afghanistan focus on three strategic pillars: expanding the population's access to economic opportunities, markets, and services; building stronger institutions and human capital through better governance and

skills development; and increasing the country's environmental sustainability as well as its resilience to climate change and disasters.

In 2017, ADB approved the country operations business plan, 2018–2020 for Afghanistan, which includes a provisional assistance package of

\$887 million in grants for sovereign operations. Assistance will continue to focus on energy, transport, agriculture, natural resources, and governance. This support will include capacity and institutional development as well as sector reform.

ADB and the government are committed to strengthening performance in project delivery, contract awards, and disbursements. Together they have developed an approach that considers the fragile and conflict-affected situation in Afghanistan.



ABOUT AFGHANISTAN AND ADB

ADB Membership

Joined 1966

Shareholding and Voting Power

Number of shares held:	3,585 (0.034% of total shares)
Votes:	43,192 (0.326% of total membership, 0.500% of total regional membership)
Overall capital subscription:	\$51.06 million
Paid-in capital subscription:	\$6.81 million

Kshatrapati Shivaji is the Director and **Mahbub Ahmed** is the Alternate Director representing Afghanistan on the ADB Board of Directors.

Samuel Tumiwa is the ADB Country Director for Afghanistan. The Afghanistan Resident Mission was opened in 2003 and provides the primary operational link for activities between ADB and the government, the private sector, civil society stakeholders, and development partners. The resident mission engages in policy dialogue, country partnership strategy development and programming, and portfolio management, while also acting as a knowledge base on development issues in Afghanistan.

The Afghanistan government agency handling ADB affairs is the Ministry of Finance.

ABOUT THE ASIAN DEVELOPMENT BANK

ADB is a multilateral development bank owned by 67 members, 48 from the region and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance. In 2017, lending volume was \$18.72 billion (111 projects), with technical assistance at \$200.53 million (246 projects) and grant-financed projects at \$597.49 million (24 projects). In addition, \$11.92 billion was generated in direct value-added cofinancing in the form of official loans and grants, other concessional cofinancing, and commercial cofinancing such as B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB's Trade Finance Program. From 1 January 2013 to 31 December 2017, ADB's annual lending volume averaged \$14.55 billion. In addition, investment grants and technical assistance funded by ADB and Special Funds resources averaged \$617.74 million and \$166.28 million over the same period. As of 31 December 2017, the cumulative totals excluding cofinancing were \$255.14 billion in loans for 2,955 projects in 44 countries, \$8.36 billion in 328 grants, and \$4.27 billion in technical assistance grants, including regional technical assistance grants.

CONTACTS

Afghanistan Resident Mission

House 126, Street No. 2
Haji Yaqub Roundabout Shar-e-Naw
Next to District 10 Police Department
P. O. Box 3070, Kabul, Afghanistan
Tel +93 20 210 3602
Fax +93 85 535204
afrm@adb.org
www.adb.org/afghanistan

ADB Headquarters

6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines
Tel +63 2 632 4444
Fax +63 2 636 2444

Ministry of Finance

Islamic Republic of Afghanistan
Pashtunistan Watt, Kabul, Afghanistan
Tel +93 20 210 3157
Fax +93 20 210 3259
info@mof.gov.af

Useful ADB websites

Asian Development Bank
www.adb.org

Asian Development Outlook
www.adb.org/publications/series/asian-development-outlook

Annual Report
www.adb.org/documents/series/adb-annual-reports

To access a complete list of development and economic indicators, visit:

Statistics and Databases
www.adb.org/data/statistics