

# ASIAN DEVELOPMENT BANK MEMBER FACT SHEET

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

Loans		Technical Assistance		Total
Sovereign	Nonsovereign	Grants	Grants	
2,023.31	86.00	5.77	19.23	2,134.31

### 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.

ADB helps address Pakistan's development needs for energy, transport, agriculture, natural resources, rural development, water supply, urban infrastructure and services, public sector management, and finance.

## Pakistan: Cumulative Lending, Grant, and Technical Assistance Commitments<sup>a, b, c</sup>

Sector	No.	Total Amount (\$ million) <sup>d</sup>	% <sup>d</sup>
Agriculture, Natural Resources, and Rural Development	170	4,139.04	13.32
Education	32	510.85	1.64
Energy	129	8,548.57	27.51
Finance	85	3,336.65	10.74
Health	31	793.30	2.55
Industry and Trade	40	1,130.87	3.64
Information and Communication Technology	1	1.60	0.01
Multisector	33	1,786.27	5.75
Public Sector Management	86	4,427.35	14.25
Transport	84	5,351.82	17.22
Water and Other Urban Infrastructure and Services	52	1,050.72	3.38
<b>Total</b>	<b>743</b>	<b>31,077.02</b>	<b>100.00</b>

<sup>a</sup> Grants and technical assistance include ADB-administered cofinancing.

<sup>b</sup> Includes sovereign and nonsovereign loans and technical assistance.

<sup>c</sup> Using primary sector in reporting of commitments.

<sup>d</sup> Numbers may not sum precisely because of rounding.

## Pakistan: Ordinary Capital Resources Nonsovereign Commitments by Product, 2007-2017

No. of Transactions Signed	Amount (\$ million)
Loans	606.03
Equity Investments	22.75
Guarantees	123.11
<b>Total</b>	<b>751.89</b>

## PAKISTAN

Pakistan was a founding member of the Asian Development Bank (ADB) in 1966. The government has since worked with ADB to strengthen the country's key infrastructure, social services, and economic growth.

ADB has approved \$32.1 billion in project assistance for Pakistan.

Under the country partnership strategy, 2015-2019 and the country operations business plan, 2018-2020, ADB is committed to ensuring high, sustained, and inclusive growth for Pakistan. The new business plan shows that the country's sovereign operations will be increased significantly to \$7.1 billion over the next 3 years. Along with its continued focus on energy, infrastructure, and institutional reforms, ADB will reengage in education and health.

Cumulative disbursements to Pakistan for lending and grants financed by ordinary capital resources (OCR), the Asian Development Fund, and other special funds amount to \$22.14 billion.

## ADB-SUPPORTED PROJECTS AND PROGRAMS

ADB is the leading partner in developing Pakistan's energy sector. It works to strengthen energy supply in hydro and coal-fired power plants, expand transmission and distribution systems, implement energy-efficiency programs and clean-energy initiatives, and support sector reforms. In 2017, ADB approved subprogram 3 of the Sustainable Energy Sector Reform Program (\$300 million), with cofinancing of €100 million from Agence Française de Développement (AFD); \$260 million for the Second Power Transmission Enhancement Investment Program to expand transmission in Sindh and Balochistan and reduce outages; and \$500,000 for a knowledge and support technical assistance package to update Pakistan's energy sector plan.



ADB helps upgrade highways and provincial roads to position Pakistan as an emerging regional trading hub and to complement projects of the Central Asia Regional Economic Cooperation Program and the China–Pakistan Economic Corridor. In 2017, ADB approved a loan of \$800 million to expand Pakistan’s regional connectivity and a first tranche of \$180 million (of a total investment of \$800 million) to upgrade highways in Sindh and Khyber Pakhtunkhwa.

ADB approved \$300 million to reform public sector enterprises, bringing the total investment to \$600 million since June 2016. ADB approved knowledge and support technical assistance of \$3.27 million to strengthen Pakistan’s public–private partnership (PPP) framework and enable institutional reforms. It also supported the operationalization of EXIM Bank.

In Punjab, ADB provided a \$200 million loan to improve urban infrastructure and service delivery in Sahiwal and Sialkot; \$700 million to upgrade irrigation; \$275 million to develop nonperennial surface irrigation and strengthen water management capacity; and \$100 million to develop PPP projects, with \$100 million from the Government of Punjab, \$19.62 million from the Government of the United Kingdom, and \$4.01 million in technical

assistance grants administered by ADB for a total investment of \$223.63 million.

To support PPPs in Sindh, ADB approved a \$100 million loan in November 2016, effective from the first quarter of 2018, with \$65 million from the Government of Sindh, \$19.23 million from the Government of the United Kingdom, and \$4.75 million in technical assistance grants administered by ADB for a total investment of \$188.98 million.

In Khyber Pakhtunkhwa, ADB provided \$335 million and AFD provided €130 million to develop a bus rapid transit system in Peshawar, which will deliver universal bus access with dedicated seating for women.

ADB has approved knowledge and support technical assistance of \$2.41 million to support economic corridor development in Pakistan to help reduce poverty and overcome district disparities. ADB continues to support the Benazir Income Support Program to assist the poor and vulnerable women. It also helps underwrite the government’s flagship \$430 million cash transfer program.

ADB approved \$200 million to strengthen Pakistan’s disaster risk management capacity and reduce country’s vulnerability to extreme weather events and climate change.

## 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.

ADB’s Trade Finance Program (TFP) fills market gaps by providing guarantees and loans through partner banks in support of trade. Since 2009, ADB’s TFP has supported more than 12,000 small and medium-sized businesses across developing Asia—through over 16,500 transactions valued at over \$30 billion—in sectors ranging from commodities and capital goods, to medical supplies and consumer goods. In 2017, the TFP supported approx. \$4.5 billion in trade through approximately 3,500 transactions.

### Pakistan: Project Success Rates

Year	Success Rate (%)	No. of Independently Evaluated Projects and Programs
2008	50.0	6
2009	28.6	7
2010	0.0	16
2011	20.0	10
2012	40.0	5
2013	40.0	5
2014	0.0	1
2015	0.0	2
2017	100.0	2
<b>Total</b>	<b>24.1</b>	<b>54</b>

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.

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

	No. of Ongoing Loans <sup>a</sup> (as of 31 Dec 2017)	
	2016 (\$ million)	2017 (\$ million)
Contract Awards <sup>b,c</sup>	869.48	627.65
Disbursements <sup>b</sup>	1,136.66	1,290.04
	No. of Ongoing Grants <sup>a</sup> (as of 31 Dec 2017)	
	2016 (\$ million)	2017 (\$ million)
Contract Awards <sup>b,c</sup>	–	–
Disbursements <sup>b,d</sup>	–	–
Actual Problem Projects (%) (as of 31 Dec 2017)	9	

– = nil.

<sup>a</sup> Based on commitments.

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

<sup>c</sup> Excludes policy-based lending/grants.

<sup>d</sup> Includes only Asian Development Fund and other ADB special funds.

### Pakistan: Projects Cofinanced, 1 January 2013–31 December 2017

Cofinancing	No. of Projects	Amount (\$ million)
Projects <sup>a</sup>	18	5,994.64
Grants	6	342.59
Official loans	8	1,854.42
Commercial cofinancing	5	3,797.63
Technical Assistance Grants	8	26.74

<sup>a</sup> A project with more than one source of cofinancing is counted once.

### Pakistan: 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	755.14	6.70	986.06	9.46	15,354.39	9.08
Consulting Services	18.23	2.90	19.40	2.62	283.59	2.36
<b>Total Procurement</b>	<b>773.37</b>	<b>6.50</b>	<b>1,005.46</b>	<b>9.00</b>	<b>15,637.98</b>	<b>8.63</b>

## Top 5 Contractors/Suppliers from Pakistan 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)
Descon Engineering Ltd.	ANR, ENE	192.09
Pak Electron Ltd.	ENE	87.23
Siemens (Pakistan) Engineering Co. Ltd.	ENE	66.62
Maqbool Associates Pvt. Ltd. & Zarghoon Enterprises Pvt. Ltd. (JV)	TRA	62.53
Sachal Engineering Works Pvt. Ltd.	ENE, TRA	59.03
Others		2,688.64
<b>Total</b>		<b>3,156.14</b>

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

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

Consultant	Sector	Contract Amount (\$ million)
MM Pakistan Pvt. Ltd. & Mott Macdonald Ltd. (JV)	TRA	11.88
National Engineering Services Pakistan Pvt. Ltd.	ANR	11.61
BAK Consulting Engineers	ANR	4.17
G3 Engineering Consultants Pvt. Ltd.	TRA	2.56
National Development Consultants Pvt. Ltd. & National Engineering Services Pakistan Pvt. Ltd. (JV)	TRA	2.08
Individual Consultants		17.10
Others		12.92
<b>Total</b>		<b>62.34</b>

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

## 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 TFP and Supply Chain Finance Program.

From 1974 to the end of 2017, cumulative direct value-added official cofinancing commitments for Pakistan amounted to \$2.72 billion for 43 investment projects and \$82.26 million for 49 technical assistance projects. Cumulative direct value-added commercial cofinancing for Pakistan amounted to \$7.69 billion for 21 investment projects.

In 2017, Pakistan received \$344.10 million loan cofinancing from the Government of France for four investment projects; and \$19.23 million grant cofinancing from the Government of the United Kingdom for one investment project.

A summary of projects with cofinancing from 1 January 2013 to 31 December 2017 is available at [www.adb.org/countries/pakistan/cofinancing](http://www.adb.org/countries/pakistan/cofinancing).

## PARTNERSHIPS

ADB continues to play a leading role in development coordination in Pakistan by hosting regular meetings of heads of

agencies to discuss key development issues and synchronize actions.

In 2017, ADB and AFD approved over \$400 million to support Pakistan's energy security.

In addition to PPP projects, ADB and the Government of the United Kingdom cofinanced \$327 million to construct 61 kilometers (km) of motorway in Punjab and 59 km of expressway from Hassanabdal (Punjab) to Havelian (Khyber Pakhtunkhwa)—a vital segment of the CAREC corridor—and to rehabilitate 197 km of the highway network in Balochistan.

ADB partnered with the Asian Infrastructure Investment Bank to cofinance \$200 million to construct 65 km of motorway from Shorkot to Khanewal in Punjab, with an additional \$34 million grant from the Government of the United Kingdom.

## 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 Pakistan, 17,162 contracts worth \$15.35 billion 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 Pakistan, 2,272 contracts worth \$283.59 million were awarded to consultants since 1966.

## OPERATIONAL CHALLENGES

Pakistan's economic fundamentals have improved over the past 3 years. To maintain this momentum, the government must address vulnerabilities arising from the wider fiscal and current account deficits, falling foreign exchange reserves, rising debt obligations, and greater external financing needs.

Pakistan needs to continue addressing governance and security issues, increase exports, strengthen public enterprises, and improve its business and regulatory environment to attract more investment and increase productivity. Implementing structural economic reforms is also critical for sustained and higher economic growth.



## FUTURE DIRECTIONS

Pakistan's current growth will be influenced by projects under the China-Pakistan Economic Corridor, Central Asia Regional Economic Cooperation, and others involving infrastructure spending on roads, railways, pipelines, and electricity networks.

ADB will continue to drive Pakistan's development through investments outlined in the country operations business plan, 2018–2020. This includes reengaging in education and health, and encouraging greater use of smart technology and innovative approaches to achieving the Sustainable Development Goals.

To improve Pakistan's competitiveness and fiscal sustainability, ADB will continue to help the government manage external debt and the balance of payments, and maintain the momentum of macroeconomic and structural reforms to support economic stability and expansion.

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## ABOUT PAKISTAN AND ADB

### ADB Membership

Joined 1966

### Shareholding and Voting Power

Number of shares held: 231,240 (2.178% of total shares)  
Votes: 270,847 (2.041% of total membership, 3.133% of total regional membership)  
Overall capital subscription: \$3.29 billion  
Paid-in capital subscription: \$164.69 million

### Contributions to Special Funds Resources

Pakistan has contributed to the Technical Assistance Special Fund (TASF), which provides grants to borrowing members to help prepare projects and undertake technical or policy studies.

Contributions to the TASF (committed): \$2.23 million

**Shahid Mahmood** is the Director and **Paul Dominguez** is the Alternate Director representing Pakistan on the ADB Board of Directors.

**Xiaohong Yang** is the ADB Country Director for Pakistan. The Pakistan Resident Mission was opened in 1989 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 Pakistan.

The Pakistan government agency handling ADB affairs is the Economic Affairs Division (Ministry of Finance, Revenue, Economic Affairs, Statistics and Privatization).

## 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.

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### Useful ADB websites

Asian Development Bank  
[www.adb.org](http://www.adb.org)

Asian Development Outlook  
[www.adb.org/publications/series/asian-development-outlook](http://www.adb.org/publications/series/asian-development-outlook)

Annual Report  
[www.adb.org/documents/series/adb-annual-reports](http://www.adb.org/documents/series/adb-annual-reports)

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