

ASIAN DEVELOPMENT BANK MEMBER FACT SHEET

Pakistan: 2018 Committed Loans, Grants, and Technical Assistance (\$ million)

Loans		Technical Assistance		Grants	Total
Sovereign	Nonsovereign	Assistance	Grants		
1,054.63	-	21.53	23.62	1,099.77	

- = 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.

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

Sector	No.	Total Amount (\$ million) ^d	% ^d
Agriculture, Natural Resources, and Rural Development	175	4,414.70	13.72
Education	32	510.85	1.59
Energy	134	9,099.02	28.28
Finance	91	3,464.54	10.77
Health	31	793.30	2.47
Industry and Trade	41	1,133.29	3.52
Information and Communication Technology	1	1.60	0.00
Multisector	33	1,786.27	5.55
Public Sector Management	89	4,430.32	13.77
Transport	86	5,491.82	17.07
Water and Other Urban Infrastructure and Services	52	1,050.72	3.27
Total	765	32,176.43	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.

Pakistan: Ordinary Capital Resources Nonsovereign Commitments by Product, 2007–2018

No. of Transactions Signed	12
	Amount (\$ million)
Loans	606.03
Equity Investments	22.75
Guarantees	123.11
Total	751.89

ADB operations in Pakistan will increase significantly in the next 3 years with continued focus on energy, natural resource management, urban development, transport infrastructure, and institutional reforms, as well as re-engagement in education and health.

PAKISTAN

Pakistan joined the Asian Development Bank (ADB) as a founding member in 1966. The country has since been working with ADB to strengthen its key infrastructure, social services, and economic growth.

ADB has approved \$32.2 billion in project assistance to Pakistan since 1966.

Aligned with ADB's [Strategy 2030](#), the country partnership strategy, 2015–2019 for Pakistan and the [country operations business plan \(COBP\)](#), 2019–2021 aim to deepen the country's development partnership with ADB to build a resilient and prosperous nation. The new COBP shows that Pakistan's sovereign operations will be increased significantly to \$7.5 billion through 2021 with continued focus on energy, natural resource management, urban development, transport infrastructure, and institutional reforms, as well as re-engagement in education and health. ADB will also provide innovative knowledge solutions to ensure sustained and inclusive economic development and growth in the country.

Cumulative loan and grant disbursements to Pakistan amount to \$22.88 billion. These were financed by regular and concessional [ordinary capital resources](#), the [Asian Development Fund](#), and other special funds.

ADB-SUPPORTED PROJECTS AND PROGRAMS

In 2018, the Government of Pakistan launched the [National Disaster Risk Management Fund](#), the first of its kind in the country. ADB provided the initial financing of \$200 million to set up the fund, with the governments of Australia and Switzerland contributing grants of \$3.4 million and \$1.5 million, respectively.

ADB is a leading development partner of the Government of Pakistan in the energy sector. The bank's ongoing portfolio totals \$2.8 billion and covers



energy generation, transmission, distribution, energy efficiency, renewable energy development, and analytical tools and advisory assistance.

In 2018, ADB approved a \$280 million loan and \$4 million grant from its High-Level Technology Fund to develop a more climate-resilient power transmission system in Pakistan, including the country's first battery energy storage system.

In transport, ADB's ongoing portfolio is valued at \$2.2 billion and spans urban bus rapid transit corridors, border crossing points, greenfield motorways and expressways, and existing national and provincial highways. The bank helped upgrade critical transport infrastructure to position Pakistan as an emerging regional trading hub, develop tourism corridors, and complement projects of the Central Asia Regional Economic Cooperation (CAREC) Program and the China-Pakistan Economic Corridor.

In Balochistan, ADB provided \$107 million to address water shortages and increase farming incomes through integrated water resources development and improving irrigation infrastructure. This work includes the construction of a 36 million-cubic-meter dam and 276 kilometers (km) of irrigation

channels and drainage canals in the Zhob and Mula river basins. ADB will administer the associated Japan Fund for Poverty Reduction and High-Level Technology Fund technical assistance projects—worth \$3 million and \$2 million, respectively—as well as a separate \$2 million technical assistance project to develop the institutional capacity of the Balochistan government to address climate change risks.

To help reduce poverty and overcome disparities between districts, ADB has approved knowledge and support technical assistance of \$2.41 million to develop economic corridors in Pakistan. It has also approved knowledge and support technical assistance of \$2.0 million to build the capacity of Pakistan's federal and provincial governments to fulfill the structural transformation, programming, and management of the ADB portfolio in the country. The bank continues to support the Benazir Income Support Program to assist Pakistan's poor and vulnerable women under the government's flagship \$430 million social safety net program.

NONSOVEREIGN OPERATIONS

As a catalyst for private investments, ADB provides financial assistance to

nonsovereign projects and financial intermediaries. Total commitments from ADB's own funds (in equity and direct loans) in 2018 amounted to \$3.14 billion for 32 transactions in economic and social infrastructure, the finance sector, and agribusiness. ADB also actively mobilizes cofinancing from commercial and concessional sources. In 2018, ADB mobilized \$3.17 billion of long-term cofinancing and \$3.99 billion of cofinancing in trade finance, microfinance, and supply chain finance programs. Total outstanding balances and commitments of nonsovereign transactions funded by ADB's own resources stood at \$12.7 billion as of 31 December 2018.

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.

Pakistan: Project Success Rates

Year	Success Rate (%)	No. of Independently Evaluated Projects and Programs
2008	50.0	6
2009	28.6	7
2010	–	16
2011	20.0	10
2012	40.0	5
2013	40.0	5
2014	–	1
2015	–	2
2017	100.0	2
2018	66.7	3
Total	26.3	57

Note: "Year" refers to the circulation year of the project completion report (PCR). The success rates reported are based on the ratings from validated PCRs and independently evaluated performance evaluation reports only and do not include self-evaluations. With small sample sizes, success rates do not necessarily represent country operations performance.

Source: PCR validation reports and project/program performance evaluation reports ratings database as of 31 December 2018.

Pakistan: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2017–2018

No. of Ongoing Loans ^a (as of 31 Dec 2018)	39	
	2017 (\$ million)	2018 (\$ million)
Contract Awards ^{b,c}	627.65	1,212.24
Disbursements ^b	1,290.04	695.80
No. of Ongoing Grants ^a (as of 31 Dec 2018)	–	
	2017 (\$ million)	2018 (\$ million)
Contract Awards ^{b,c}	–	–
Disbursements ^{b,d}	–	–
Actual Problem Projects (%) (as of 31 Dec 2018)	16	

– = nil.

^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.

Pakistan: Projects Cofinanced, 1 January 2014–31 December 2018

Cofinancing	No. of Projects	Amount (\$ million)
Projects ^a	19	6,090.67
Grants	8	366.21
Official loans	7	1,709.42
Commercial cofinancing	5	4,015.04
Technical Assistance Grants	13	39.18

^a 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	2017		2018		Cumulative (as of 31 Dec 2018)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	964.54	9.46	386.04	3.08	15,673.21	8.67
Consulting Services	18.92	2.53	15.75	2.26	290.70	2.29
Total Procurement	983.46	8.99	401.80	3.03	15,963.92	8.25

Top 5 Contractors/Suppliers from Pakistan Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2014–31 December 2018

Contractor/Supplier	Sector	Contract Amount (\$ million)
Pak Electron Ltd.	ENE	85.93
Siemens (Pakistan) Engineering Co. Ltd.	ENE	80.24
Maqbool Associates Pvt. Ltd. & Zarghoon Enterprises Pvt. Ltd. (JV)	TRA	63.62
Khattak Allied Construction Co.	TRA	61.11
ICC Pvt. Ltd.	ENE	40.22
Others		2,811.11
Total		3,142.23

ENE = energy, TRA = transport.

Top 5 Consultants from Pakistan Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2014–31 December 2018

Consultant	Sector	Contract Amount (\$ million)
National Engineering Services Pakistan Pvt. Ltd.	ANR, TRA, WUS	13.15
MM Pakistan Pvt. Ltd.	TRA	11.38
Engineering Consultants International Pvt. Ltd.	TRA	5.57
BAK Consulting Engineers	ANR	3.57
G3 Engineering Consultants Pvt. Ltd.	TRA	2.36
Individual Consultants		17.99
Others		12.02
Total		66.03

ANR = agriculture, natural resources, and rural development; TRA = transport; WUS = water and other urban infrastructure and services.

ADB began cofinancing operations in Pakistan in 1974. Since then, cumulative direct value-added official cofinancing commitments for Pakistan have amounted to \$2.6 billion for 44 investment projects and \$94.7 million for 54 technical assistance projects. Cumulative direct value-added commercial cofinancing for Pakistan has amounted to \$8.8 billion for 20 investment projects.

In 2018, Pakistan received \$23.62 million in grant cofinancing from the Government of the United Kingdom and High-Level Technology Fund for two investment projects.

A summary of projects with cofinancing from 1 January 2014 to 31 December 2018 is available at www.adb.org/countries/pakistan/cofinancing.

PARTNERSHIPS

In 2018, ADB secured financing of \$49 million (\$37 million loan and \$12 million grant) from the Green Climate Fund—supplementing a proposed loan of \$442 million from ADB, the Asian Infrastructure Investment Bank, and Agence Française de Développement—to build a 30 km state-of-the-art bus rapid transit system in Karachi. The project includes fully segregated bicycle lanes, bike-sharing system, and improved pedestrian facilities. It will also help construct a plant to produce biogas from cattle waste to fuel buses with zero greenhouse gas emissions, benefiting about 1.5 million people.

In Khyber Pakhtunkhwa, ADB approved \$335 million and partnered with Agence Française de Développement for

cofinancing of €130 million to develop a bus rapid transit system.

ADB and the Government of the United Kingdom cofinanced \$327 million to construct 61 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.

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 \$10.2 billion in 2017 and \$12.55 billion in 2018. Cumulative procurement since 1966 has been \$180.86 billion covering 215,461 contracts.

In Pakistan, 17,242 contracts worth \$15.67 billion have been 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 \$746.79 million in 2017 and \$696.18 million in 2018. Cumulative procurement since 1966 has been \$12.7 billion covering 59,248 contracts.

In Pakistan, 2,410 contracts worth \$290.7 million have been awarded to consultants since 1966.

OPERATIONAL CHALLENGES

Driven by domestic demand and improvements in law and order, energy supply, and public infrastructure, Pakistan's economic growth has remained strong in recent years. The government, however, needs to address the vulnerabilities arising from the wider fiscal and current account deficits, falling foreign exchange reserves, rising debt obligations, and greater external financing needs.

Pakistan must continue to consolidate governance, increase exports, strengthen public enterprises, and improve business and regulatory environments to attract more investment and increase productivity.

FUTURE DIRECTIONS

ADB will continue to support Pakistan's development through investments outlined in the COBP, 2019–2021. This includes greater use of smart technology and innovative approaches to achieving the [Sustainable Development Goals](#).

Pakistan's current growth prospects will continue to be influenced by projects under CAREC, the China–Pakistan Economic Corridor, and other development initiatives. Program

lending will include policy support for the energy sector as well as improving trade and competitiveness by supporting the development of an export–import bank, national single window operations, and other initiatives.

To improve Pakistan’s fiscal sustainability and business environment, ADB will continue to help the government manage external debt and balance

of payments, while maintaining the momentum of macroeconomic and structural reforms to support economic stability and expansion.

ABOUT PAKISTAN AND ADB

ADB Membership

Joined 1966

Shareholding and Voting Power

Number of shares held:	231,240 (2.174% of total shares)
Votes:	270,937 (2.037% of total membership, 3.132% of total regional membership)
Overall capital subscription:	\$3.22 billion
Paid-in capital subscription:	\$160.83 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): \$2.30 million

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

Xiaohong Yang is the Country Director for the Pakistan Resident Mission, which was opened in 1989 to provide 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 acting as a knowledge base on development issues in Pakistan.

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

ABOUT THE ASIAN DEVELOPMENT BANK

ADB is a multilateral development bank owned by 68 members, 49 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 2018, lending volume was \$19.88 billion (126 projects), with technical assistance at \$241.20 million (280 projects) and grant-financed projects at \$1.42 billion (44 projects). In addition, \$14 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 2014 to 31 December 2018, ADB’s annual lending volume averaged \$15.99 billion. In addition, investment grants and technical assistance funded by ADB and Special Funds resources averaged \$583.95 million and \$184 million over the same period. As of 31 December 2018, the cumulative totals excluding cofinancing were \$275.82 billion in loans for 3,090 projects in 44 countries, \$9.38 billion in 374 grants, and \$4.52 billion in technical assistance grants, including regional technical assistance grants.

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Useful ADB websites

Asian Development Bank
www.adb.org

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

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

ADB Data Library
data.adb.org

Notes:

ADB welcomed Niue as its 68th member in March 2019.

ADB recognizes “China” as the People’s Republic of China.

Figures are estimated by ADB unless otherwise stated. “\$” refers to United States dollars.

Data are updated as of 31 December 2018 unless otherwise indicated. Fact sheets are published annually in April.