

ASIAN DEVELOPMENT BANK MEMBER FACT SHEET

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

Loans		Technical Assistance	Grants	Total
Sovereign	Nonsovereign			
-	-	2.11	683.18	685.29

- = 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	51	738.58	13.12
Education	2	4.10	0.07
Energy	41	1,859.47	33.03
Finance	5	67.64	1.20
Health	1	3.00	0.05
Industry and Trade	5	8.09	0.14
Multisector	3	183.29	3.26
Public Sector Management	15	78.16	1.39
Transport	45	2,671.63	47.46
Water and Other Urban Infrastructure and Services	1	15.00	0.27
Total	169	5,628.95	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, 2007–2018

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

- = nil.

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

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 sustainable economic growth and poverty reduction.

Despite marked improvements since the resumption of operations in 2002, Afghanistan still faces a severe infrastructure deficit. Under the country partnership strategy, 2017–2021, and the country operations business plan, 2019–2021, ADB continues to focus on developing infrastructure, reducing poverty, and stimulating growth. The bank directs its financial assistance mainly to improvements in agriculture and natural resources, energy, and transport.

Afghanistan was a founding member of ADB in 1966 and has since been supported by the bank over two periods. Cumulative lending to Afghanistan totals almost \$963.1 million and committed grants total \$3.6 billion.

Cumulative loan and grant disbursements to Afghanistan amount to \$2.32 billion. These were financed by regular and concessional ordinary capital resources, and the Asian Development Fund.

ADB-SUPPORTED PROJECTS AND PROGRAMS

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 includes \$808 million for the Transport Network Development Investment Program, which is financing construction of 570 km of roadway.

ADB has helped the Government of Afghanistan develop a comprehensive Transport Sector Master Plan Update



to prioritize transport infrastructure through 2036. The bank has also assisted the Ministry of Public Works in developing a transport strategy for 2019–2023 to improve the connectivity, safety, efficiency, and sustainability of transport networks. ADB is financing the rehabilitation of 232 km of the national 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](#). The bank is also supporting priority maintenance to sections of Afghanistan's regional highway, from Kabul to Ghazni and from Kabul to Jalalabad. The support includes capacity development at the Ministry of Public Works to ensure road asset management and maintenance are professionally managed in the future. Additionally, ADB has helped rehabilitate four regional airports; supported the establishment of the Afghanistan Railway Authority; funded the first rail line between Uzbekistan and Afghanistan, which carried around 3 million tons of freight in 2018; and 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. The bank has provided nearly \$1.57 billion to support energy infrastructure, with an additional \$389 million planned for 2019–2024. These projects include the construction of 1,500 km of power transmission lines, 16 substations, 143,000 power distribution connections, and 10 gas wells. ADB supports the development of Afghanistan's first solar power plant to boost the country's renewable energy generation and supply. In 2018, the bank approved a \$143.42 million grant to extend the national grid connectivity and provide reliable, affordable electricity to residents of Kunar and Paktika provinces. Key regional investments include a Turkmenistan–Afghanistan–Pakistan–India gas pipeline and Turkmenistan–Uzbekistan–Tajikistan–Afghanistan–Pakistan electricity transmission project.

ADB has provided \$650 million for irrigation and agricultural infrastructure to increase farming productivity and food security, promote agribusiness linkages, improve rural livelihoods, enhance water management, and more. About 350,000 hectares of irrigated land have been rehabilitated and upgraded, with work continuing on another 250,000 hectares.

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,

Afghanistan: Project Success Rates

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

Notes: "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.

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

	2017 (\$ million)		2018 (\$ million)	
	2017 (\$ million)	2018 (\$ million)	2017 (\$ million)	2018 (\$ million)
No. of Ongoing Loans ^a (as of 31 Dec 2018)		1		
Contract Awards ^{b,c}	0.00	–		
Disbursements ^b	0.33	–		
No. of Ongoing Grants ^a (as of 31 Dec 2018)		28		
Contract Awards ^{b,c}	252.80	41.02		
Disbursements ^{b,d}	188.00	214.60		
Actual Problem Projects (%) (as of 31 Dec 2018)		14		

– = nil, 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 2014–31 December 2018

Cofinancing	No. of Projects	Amount (\$ million)
Projects ^a	10	492.35
Grants	9	477.35
Official loans	1	15.00
Technical Assistance Grants	7	15.12

^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	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	28.46	0.28	27.61	0.22	906.65	0.50
Consulting Services	1.53	0.20	6.56	0.94	49.68	0.39
Total Procurement	29.99	0.27	34.17	0.26	956.32	0.49

Top 5 Contractors/Suppliers from Afghanistan 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)
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	15.94
Afghanistan Public Protection Force	TRA	14.74
Others		136.21
Total		369.89

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 2014–31 December 2018

Consultant	Sector	Contract Amount (\$ million)
Mashriq Engineering Construction Co.	TRA	3.60
Bureau For Rights-Based Development	ANR	0.72
Alliot Gulf Ltd.	ANR, TRA	0.12
Empowerment Center For Women	PSM	0.10
Zeeshan Ali & Co.	ANR	0.10
Individual Consultants		9.13
Others		0.09
Total		13.85

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

guarantee cofinancing, and cofinancing for transactions under ADB's [Trade Finance Program](#) and [Supply Chain Finance Program](#).

ADB began cofinancing operations in Afghanistan in 1973. Since then, cumulative direct value-added official cofinancing commitments for Afghanistan have amounted to \$978.1 million for 29 investment projects and \$28.6 million for 18 technical assistance projects. Cumulative direct value-added commercial cofinancing for Afghanistan has amounted to \$11.2 million for one investment project.

In 2018, Afghanistan received \$60 million in grant cofinancing from the Afghanistan Infrastructure Trust Fund for the Energy Supply Improvement Investment Program—Tranche 4, and \$15 million in 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 2014 to 31 December 2018 is available at www.adb.org/countries/afghanistan/cofinancing.

PARTNERSHIPS

ADB provides Afghanistan with in-depth experience in creating partnerships to deliver projects—particularly for infrastructure and regional cooperation—in fragile and conflict-affected situations. It collaborates with the government to promote the [Afghanistan Infrastructure Trust Fund](#) to donors who wish to finance infrastructure.

ADB facilitates development programs and projects by attending regular coordination meetings of heads

of agencies and cooperates with nongovernment organizations to implement grant projects financed through the Japan Fund for Poverty Reduction. These projects include the introduction of water user associations 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. The bank continues to promote public-private partnerships to attract greater investment and to operate and maintain critical infrastructure more sustainably.

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 Afghanistan, 1,653 contracts worth \$906.65 million 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 Afghanistan, 343 contracts worth \$49.68 million have been awarded to consultants since 1966.

OPERATIONAL CHALLENGES

Afghanistan's recent history has presented 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, self-reliance and reform agendas, and national priority programs.

ADB operations will work towards expanding access to economic opportunities, markets, and services; building stronger institutions and human capital through better governance and

skills development; and increasing Afghanistan's environmental sustainability and resilience to climate change and disasters.

Through investments outlined in the country operations business plan, 2019–2021, ADB will continue to focus on agriculture and natural resources,

energy, and transport in Afghanistan. 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.



ABOUT AFGHANISTAN AND ADB

ADB Membership

Joined 1966

Shareholding and Voting Power

Number of shares held:	3,585 (0.034% of total shares)
Votes:	43,282 (0.325% of total membership, 0.500% of total regional membership)
Overall capital subscription:	\$49.86 million
Paid-in capital subscription:	\$6.65 million

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

Narendra Singru 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 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.

Notes:

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

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.

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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