Pakistan joined the Asian Development Bank (ADB) as a founding member in 1966. ADB has since been working with the country to strengthen its key infrastructure, improve social services, and promote inclusive economic growth. The bank’s country operations business plan, 2020–2022 for Pakistan outlines $7.1 billion in assistance. This includes project loans; policy-based lending for structural reforms; multitranche financing facilities for energy, transport, water, and other urban infrastructure and services; and results-based lending for energy and social services. ADB aims to mobilize private financing for development projects, expand its financing and technical assistance for public–private partnerships, and explore policy-based guarantees to help the Government of Pakistan leverage more financing and develop capital markets.

Since 1966, ADB has committed $33.5 billion in loans, $148.5 million in grants, $190.7 million in technical assistance projects, and $570.4 million in ADB-administered cofinancing for Pakistan.

ADB operations in Pakistan focus on developing energy-efficient and climate-resilient transit systems and infrastructure, improving secondary education, enhancing technology-based agriculture, and advancing the energy sector.
ADB’s ongoing portfolio for transport totals $2.5 billion and spans urban bus rapid transit corridors, border crossing points, greenfield motorways and expressways, and national and provincial highways. In 2019, ADB committed $75 million to widen and upgrade 42 kilometers (km) of the busy Mardan–Swabi road in Khyber Pakhtunkhwa province. The bank also approved a $235 million loan in 2019 to help develop an energy-efficient and climate-resilient bus rapid transit system in Karachi, Pakistan’s largest and most populated city. The system’s Red Line will extend over 26.6 km and serve more than 300,000 passengers daily. It will be the first-ever transport system in Pakistan to use biomethane produced from cattle waste as fuel for its fleet of 213 buses.

In October 2019, ADB approved a $75 million project to help improve the quality, accessibility, and gender responsiveness of the secondary education system in the province of Sindh.

In agriculture, ADB initiated work during 2019 on a $275 million irrigation project in Jalalpur and committed a grant of $5.1 million that will enhance technology-based agriculture in Punjab and prepare $5.1 million that will enhance technology-based agriculture in Punjab and prepare of Sindh.

The Flood Emergency Reconstruction and Resilience Project was successfully completed in 2019, with 1,740 km of provincial highways and district roads rehabilitated and repaired in 20 districts of Punjab affected by the 2014 floods. The project also stabilized about 800 hectares of landslide area, rehabilitated 90% of the flood protection infrastructure, constructed two new flood protection bunds along the river Jhelum, and developed safety inspection manuals for dams and flood protection infrastructure.

To help strengthen project readiness, ADB committed two financing facilities totaling $17.3 million in 2019, one to improve cities in Khyber Pakhtunkhwa and the other for water resources in Punjab.

In the energy sector, ADB maintained a strong presence with an ongoing portfolio of $2.2 billion covering energy generation, transmission, distribution, energy efficiency, and renewable energy development. In 2019, ADB committed a $300 million policy-based loan that will help the government address financial sustainability, governance, and energy infrastructure policy constraints.

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ADB is also actively supporting public—private partnership initiatives in Pakistan to support the delivery of much needed public infrastructure.

### Pakistan: Project Success Rates

<table>
<thead>
<tr>
<th>Year</th>
<th>Success Rate (%)</th>
<th>No. of Independently Evaluated Projects and Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>50.0</td>
<td>6</td>
</tr>
<tr>
<td>2009</td>
<td>28.6</td>
<td>7</td>
</tr>
<tr>
<td>2010</td>
<td>–</td>
<td>16</td>
</tr>
<tr>
<td>2011</td>
<td>20.0</td>
<td>10</td>
</tr>
<tr>
<td>2012</td>
<td>40.0</td>
<td>5</td>
</tr>
<tr>
<td>2013</td>
<td>40.0</td>
<td>5</td>
</tr>
<tr>
<td>2014</td>
<td>–</td>
<td>1</td>
</tr>
<tr>
<td>2015</td>
<td>–</td>
<td>2</td>
</tr>
<tr>
<td>2017</td>
<td>100.0</td>
<td>2</td>
</tr>
<tr>
<td>2018</td>
<td>66.7</td>
<td>3</td>
</tr>
<tr>
<td>2019</td>
<td>75.0</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>29.5</td>
<td>61</td>
</tr>
</tbody>
</table>

Note: 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. The ratings are reported not by calendar year but for the year ending June (e.g., 2019 success rates are derived from success rates of validated PCRs and PPERs completed from July 2018 to June 2019). 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 2019.

### Pakistan: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2018–2019

<table>
<thead>
<tr>
<th>Item</th>
<th>2018 (Amount $ million)</th>
<th>% of Total</th>
<th>2019 (Amount $ million)</th>
<th>% of Total</th>
<th>Cumulative (as of 31 Dec 2019)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>1,140.42</td>
<td>7.5</td>
<td>2,201.24</td>
<td>13.1</td>
<td>17,809.82</td>
</tr>
<tr>
<td>Grants</td>
<td>374.7</td>
<td>2.2</td>
<td>2,183.24</td>
<td>12.5</td>
<td>17,809.82</td>
</tr>
<tr>
<td>Technical Assistance</td>
<td>42.03</td>
<td>0.2</td>
<td>424.67</td>
<td>2.5</td>
<td>17,852.49</td>
</tr>
<tr>
<td>Nonsovereign</td>
<td>3,996.13</td>
<td>24.0</td>
<td>2,131.72</td>
<td>12.5</td>
<td>17,809.82</td>
</tr>
<tr>
<td>Sovereign</td>
<td>1,557.16</td>
<td>9.3</td>
<td>2,131.72</td>
<td>12.5</td>
<td>17,809.82</td>
</tr>
</tbody>
</table>

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 2019 amounted to $3.00 billion for 38 transactions in economic and social infrastructure, the finance sector, and agribusiness. ADB also actively mobilizes cofinancing from commercial and concessional sources. In 2019, ADB mobilized $3.28 billion of long-term cofinancing and $3.69 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 $13.78 billion as of 31 December 2019.

### Partnerships

In 2019, ADB helped complete the 11 km Sarai Saleh to Havelian section of the M87 km Expressway E35 and the 125 km Gojra to Khanewal section of the Motorway M4. Both are key parts of the Central Asia Regional Economic Cooperation Corridors 5 and 6. The ADB-administered M4 project is the Asian Infrastructure Investment Bank’s first-ever project and the first cofinancing between
ADB and the investment bank, alongside grant cofinancing from the Department for International Development of the United Kingdom.

The Pakistan National Transport Policy and Master Plan, supported by ADB and the Department for International Development of the United Kingdom was officially launched in 2019, and road safety and road asset management secretariats (as proposed under the policy) were established.

**FINANCING PARTNERSHIPS**

Financing partnerships enable ADB’s development 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 loans and grants, technical assistance, and other nonsovereign 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.

ADB began cofinancing operations in Pakistan in 1973. Since then, sovereign cofinancing commitments for Pakistan have amounted to $2.69 billion for 47 investment projects and $98.55 million for 59 technical assistance projects. Nonsovereign cofinancing for Pakistan has amounted to $9.69 billion for 22 investment projects.

In 2019, Pakistan received $80 million in loan cofinancing from the Export-Import Bank of Korea for the Energy Sector Reforms and Financial Sustainability Program — Subprogram 1, and $8.5 million in grant cofinancing from the Government of Switzerland, the High-Level Technology Fund, the Japan Fund for Poverty Reduction, and the Urban Climate Change Resilience Trust Fund for three projects.

A summary of projects with cofinancing from 1 January 2015 to 31 December 2019 is available at www.adb.org/countries/pakistan/cofinancing.

**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 $12.38 billion in 2018 and $14.27 billion in 2019. Cumulative procurement since 1966 has been $13.4 billion covering 63,327 contracts.

In Pakistan, 2,589 contracts worth $328.76 million have been awarded to consultants since 1966.

**OPERATIONAL CHALLENGES**

Pakistan has been experiencing fiscal and current account deficits. Continued efforts toward fiscal consolidation will be key to sustaining improvements in macroeconomic stability. Areas for specific attention include broadening the country’s tax base, committing to policy reforms, and improving the country’s business environment. Reforms are also required to promote high value-added exports, expand social spending, progress energy sector development, and strengthen institutions.

To help improve Pakistan’s fiscal sustainability and create a better business environment, ADB will continue to engage in policy dialogue with the government on managing macroeconomic imbalances, while maintaining the momentum of structural reforms to support economic stability and expansion.

**FUTURE DIRECTIONS**

ADB will continue to support Pakistan through investments outlined in the country operations business plan, 2020–2022. This includes making greater use of project readiness financing as well as embracing smart technology and innovative development approaches.

Pakistan’s growth prospects will continue to be influenced by reforms initiated
ABOUT PAKISTAN AND ADB

ADB Membership
Joined 1966

Shareholding and Voting Power
Number of shares held: 231,240 (2.174% of total shares)
Votes: 270,354 (2.033% of total membership, 3.122% of total regional membership)
Overall capital subscription: $3.20 billion
Paid-in capital subscription: $159.91 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): $2.37 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 2019, lending volume was $20.47 billion (133 projects), with technical assistance at $237.31 million (252 projects) and grant-financed projects at $844.07 million (31 projects). In addition, $11.86 billion was generated for sovereign and nonsovereign cofinancing in the form of loans and grants, B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB’s Trade Finance Program. From 1 January 2015 to 31 December 2019, ADB’s annual lending volume averaged $17.41 billion. In addition, investment grants and technical assistance funded by ADB and Special Funds resources averaged $702.60 million and $202.27 million over the same period. As of 31 December 2019, the cumulative totals excluding cofinancing were $296.28 billion in loans for 3,221 projects in 44 countries, $10.23 billion in 409 grants, and $4.72 billion in technical assistance grants, including regional technical assistance grants.

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Useful ADB websites
Asian Development Bank
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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 and “Korea” as the Republic of Korea.
Figures are estimated by ADB unless otherwise stated. “$” refers to United States dollars.
Data are updated as of 31 December 2019 unless otherwise indicated.