



Country Operations Business Plan

October 2019

Pakistan
2020–2022

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 30 September 2019)

Currency unit	–	Pakistan rupee/s (PRe/PRs)
PRe1.00	=	\$0.006
\$1.00	=	PRs156.155

ABBREVIATIONS

ADB	–	Asian Development Bank
COBP	–	country operations business plan
COL	–	concessional OCR lending
OCR	–	ordinary capital resources
PPP	–	public–private partnership
PRF	–	project readiness financing
SEFF	–	small expenditure financing facility

NOTE

In this report, “\$” refers to United States dollars

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I. CONSISTENCY OF BUSINESS PLAN WITH COUNTRY PARTNERSHIP STRATEGY

1. The country operations business plan (COBP) for Pakistan, 2020–2022 of the Asian Development Bank (ADB) is aligned with ADB’s country partnership strategy for Pakistan, 2015–2019, which supports the Government of Pakistan’s objective of sustained and inclusive economic growth.¹ The COBP is also consistent with the priorities set out in ADB’s Strategy 2030, and is aligned with the government’s development agenda and the economic and social development plans of provincial governments.²

2. The COBP comprises project loans; policy-based lending for structural reforms; multitranche financing facilities (MFFs) for energy, transport, water and other urban infrastructure and services; and results-based lending for energy and social services. The pipeline includes two new modalities (i) project readiness financing (PRF) for efficient design and delivery of projects in agriculture and urban services, and (ii) a small expenditure financing facility (SEFF) for provincial cross-sectoral development. ADB aims to mobilize private financing for development projects and expand its own financing and technical assistance (TA) for public–private partnerships (PPPs). ADB will also explore the policy-based guarantee (PBG) to support the government to leverage more financing and support capital market development.

3. ADB is looking to increase its nonsovereign operations in Pakistan by focusing on energy security and increasing the supply of electricity generated from indigenous sources (particularly hydro, gas, wind, and solar power). ADB will also continue to facilitate trade finance and seek opportunities to support private sector projects for logistics, and micro, small, and medium-sized enterprises. Where feasible, ADB will coordinate private sector operations with public sector assistance—for example, by seeking synergies between infrastructure PPPs and public sector enterprise reforms in the energy and transport sectors.

II. INDICATIVE RESOURCE PARAMETERS

4. Pakistan, a group B developing member country, is eligible for regular ordinary capital resources (OCR) lending and concessional OCR lending (COL). The indicative resources available for commitment during 2020–2022 for sovereign operations total \$5.7 billion, comprising \$4.3 billion for regular OCR lending and \$1.4 billion for COL. The final allocation will depend on available resources, project readiness, and the outcome of the country performance assessments. Cofinancing and funding from other sources, including the regional pool under concessional resources, will be explored.

5. The proposed sovereign lending program for 2020–2022 amounts to \$7.1 billion, comprising \$5.6 billion from regular OCR lending and \$1.5 billion from COL (this includes about 25% over-programming to respond to possible operational adjustments).³ The nonlending program for 2020–2022 is \$22.0 million inclusive of ADB and other sources, majority of which are transaction TAs for several pipeline projects.

¹ ADB. 2015. *Country Partnership Strategy: Pakistan, 2015–2019*. Manila.

² ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila.

³ Based on concurrence from the Government in principle and active engagement for further consultation as per Government’s priorities.

6. The updated country assistance results areas are in Appendix 1; the portfolio at a glance is listed in Appendix 2; the updated lending and nonlending programs are in Appendixes 3 and 4; and the indicative knowledge products and events for 2019–2020 are in Appendix 5.

III. SUMMARY OF CHANGES TO LENDING AND NONLENDING PROGRAMS

7. **Energy.** To supplement the government's energy reform agenda, the pipeline includes policy-based loans, results-based loans, and MFFs. These projects will (i) strengthen energy infrastructure, particularly in transmission, distribution, and gas; (ii) increase the supply of affordable indigenous energy; and (iii) provide capacity development support. The fourth tranche of the MFF for power transmission investment program has slipped from 2019 to 2020 and a new project for 2020 is included (Balakot Hydropower Development in Khyber Pakhtunkhwa province).

8. **Transport.** ADB support targets the construction and rehabilitation of national and provincial highways to improve regional connectivity, transport efficiency, and road safety, with a focus on upgrading Central Asia Regional Economic Cooperation (CAREC) corridors. The national highway project from 2019 pipeline is now firm in 2021 and new projects for 2022 will focus on provincial and rural road development.

9. **Agriculture, natural resources, and rural development.** ADB support targets improved irrigation and water resource and agricultural market development. New projects include the Punjab Agriculture Markets Development Project, the Dera Ghazi Khan Canal Irrigated Agriculture Improvement Project and Climate Policy Sector Development Program.

10. **Water and other urban infrastructure and services.** ADB's urban program focuses on water, drainage, sanitation, solid waste, mass transit, urban governance, and smart city initiatives. New projects include two MFFs (Khyber Pakhtunkhwa Livable Cities Sustainable Development Program and Punjab Livable Cities Sustainable Development Program), and the Sustainable Urban Mobility Project in Khyber Pakhtunkhwa.

11. **Finance and public sector management.** New projects include support for PPPs in Sindh and Punjab and policy-based loans for finance sector reforms. The government has also requested urgent ADB assistance under the special policy-based lending (SPBL) modality amounting to \$1.0 billion and additional financing of \$200 million for the Benazir Income Support Program, which are to be processed in 2019.

12. **Social services.** The Strengthening of Khyber Pakhtunkhwa Health Systems Project is now included in 2021 pipeline. The COBP has included in the 2020 TA pipeline support for the Health Insurance Financing Project, and preparation of education projects in Sindh and Punjab provinces.

13. **Multisector.** The COBP provides \$350 million for multisector projects, including the Multisector Development and Initiatives SEFF for Khyber Pakhtunkhwa Province and an Integrated Social Protection Development Program.

COUNTRY ASSISTANCE RESULTS AREAS

Key Country Development Outcomes that ADB Contributes to	ADB		
	Key Areas of Assistance	Indicative Resource Available for Commitment in 2020–2022	Changes from Last COBP
1. Energy (CPS Core Area 1: Infrastructure; CPS Core Area 2: Environment)			
Reliable and affordable energy services through the development of domestic energy resources (hydropower, renewable energy, coal, and gas), and transmission and distribution networks	<p>Hydropower and other power generation</p> <p>Energy efficiency and strengthened transmission and distribution</p> <p>Enhanced enabling environment for private sector investment in the energy sector with policy and regulation reforms</p>	<p>Amount: \$1.67 billion (\$970 million regular OCR and \$700 million COL) and \$450 million cofinancing.</p> <p>Share of COBP envelope: 23.5%</p>	<p>ADB's resource allocation has decreased from \$2.245 billion to \$1.670 billion, while cofinancing has increased from \$290 million to \$450 million.</p> <p>A new hydropower project is added in the 2020 pipeline.</p>
2. Transport (CPS Core Area 1: Infrastructure; CPS Core Area 3: Regional integration)			
Increased movement of people and goods within Pakistan in a more efficient, safe, and sustainable manner	<p>Roads, road safety, and asset management</p> <p>Border services improvement</p> <p>Urban transport</p> <p>Railway rehabilitation and regional connectivity</p> <p>Sustainable bus rapid transit</p>	<p>Amount: \$1.5 billion (regular OCR) and \$250 million cofinancing.</p> <p>Share of COBP envelope: 21.1%</p>	<p>ADB's resource allocation has increased from \$1.394 billion to \$1.500 billion, while cofinancing has increased from \$100 million to \$250 million.</p> <p>New projects added will focus on provincial and rural road development.</p>
3. Agriculture, natural resources, and rural development (CPS Core Area 1: Infrastructure; CPS Core Area 2: Environment)			
Increased agriculture production for consumption and trade	<p>Market Development</p> <p>Irrigation reforms and capacity building</p> <p>Climate-resilient water resources and environmental water management</p>	<p>Amount: \$980 million (\$880 million regular OCR and \$100 million COL) and \$760 million cofinancing</p> <p>Share of COBP envelope: 13.8%</p>	<p>ADB's resource allocation has increased from \$794 million to \$980 million, while cofinancing has increased from \$530 million to \$760 million.</p> <p>New projects added will develop agriculture markets in Punjab and improve irrigation.</p>

Key Country Development Outcomes that ADB Contributes to	ADB		
	Key Areas of Assistance	Indicative Resource Available for Commitment in 2020–2022	Changes from Last COBP
4. Water and Other Urban Infrastructure and Services (CPS Core Area 1: Infrastructure; CPS Core Area 2: Environment)			
Higher quality of life of urban residents	<p>Urban planning, policies, and institutional reforms</p> <p>Intermediate cities development</p> <p>Water and sanitation infrastructure</p> <p>Increased private sector participation</p>	<p>Amount: \$700 million (regular OCR) and \$550 million cofinancing</p> <p>Share of COBP envelope: 10.0%</p>	<p>ADB's resource allocation has increased from \$470 million to \$700 million, while cofinancing has increased from \$300 million to \$550 million.</p> <p>Two MFFs are added in the pipeline for developing cities in Khyber Pakhtunkhwa and Punjab provinces.</p>
5. Public Sector Management (CPS Core Area: other areas of operations)			
Increased fiscal and debt sustainability including to increase the resilience of women, the poor, and vulnerable groups	Trade and competitiveness	<p>Amount: \$300 million (COL)</p> <p>Share of COBP envelope: 4.2%</p>	ADB's resource allocation has decreased from \$1.2 billion to \$300 million for 2020–2022.
6. Finance (CPS Core Area 4: Finance sector development)			
<p>Increased and more effective financial access for agriculture and SMEs with a focus on women and other underserved segments</p> <p>Increased private sector participation in infrastructure investment</p> <p>Reduced socioeconomic and fiscal vulnerability to natural hazards</p>	<p>Money and financial markets, infrastructure finance, SME finance, inclusive finance, capacity building, and institutional strengthening</p> <p>Support for public–private partnerships</p> <p>Disaster risk management</p>	<p>Amount: \$1.4 billion (\$1.1 billion regular OCR and \$300 million COL) and \$255.3 million cofinancing</p> <p>Share of COBP envelope: 19.7%</p>	<p>ADB's resource allocation has increased from \$1.2 billion to \$1.4 billion, while cofinancing has decreased from \$50 million to \$5.3 million.</p> <p>New projects include support for PPPs in Sindh and Punjab and PBL for finance sector reforms.</p>

Key Country Development Outcomes that ADB Contributes to	ADB		
	Key Areas of Assistance	Indicative Resource Available for Commitment in 2020–2022	Changes from Last COBP
7. Education			
Better education and youth employment outcomes in line with the Sustainable Development Goals on quality education, good jobs, and economic growth	Secondary education system Support for competencies and skills essential for youth employability	Amount: \$100 million (regular OCR) Share of COBP envelope: 1.4%	ADB's resource allocation has decreased from \$175 million to \$100 million.
8. Health			
Better health outcomes in line with the Sustainable Development Goals on access to quality essential health care	Access to quality primary and secondary health care services	Amount: \$100 million (COL) Share of COBP envelope: 1.4%	ADB's resource allocation has increased from \$50 million to \$100 million.
9. Multisector			
Inclusive and sustainable growth in line with government's priorities and ADB' comparative advantage in key sectors	Cross-sectoral initiatives for Khyber Pakhtunkhwa province and integrated social protection development	Amount: \$350 million (regular OCR) Share of COBP envelope: 4.9%	ADB's resource allocation has increased from \$0 to \$350 million. A SEFF is added in 2020 pipeline to address cross-sector demands in Khyber Pakhtunkhwa province. In 2021, a social protection development program is included.

ADB = Asian Development Bank, COBP = country operations business plan, COL = concessional OCR lending, CPS = country partnership strategy, MFF = multitranches financing facility, OCR = ordinary capital resources, PBL = policy-based lending, PPP = public-private partnership, SEFF = small expenditure financing facility, SME = small or medium-sized enterprise.

Source: ADB estimates.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/COBP/?id=PAK-2020>

1. Portfolio at a Glance: Pakistan

INDICATIVE ASSISTANCE PIPELINE

Table A3.1: Lending Products, 2020–2022

Project/Program Name ^a	Sector	Poverty Targeting	Operational Priority	Division	Year of TRTA/ PRF	Cost (\$ million)						
						Total	ADB			Total	Gov't	Co-finance
							Regular OCR	COL	ADF Grants			
2020 Firm												
Punjab Agriculture Markets Development	ANR	TI-G	OP5	CWER	2019	TBD	100.0	0.0	0.0	100.0	40.0	0.0
Greater Thal Canal Irrigation Phase 1	ANR	TI-G	OP3, OP5	CWER	2017	TBD	150.0	0.0	0.0	150.0	40.0	0.0
Improving Workforce Readiness in Punjab	EDU	TI-G	OP1, OP2	CWSS	2019	TBD	100.0	0.0	0.0	100.0	0.0	TBD
Second Power Transmission Enhancement Investment Program (MFF tranche 4)	ENE	GI	OP3	CWEN	2014	TBD	180.0	0.0	0.0	180.0	50.0	0.0
Balakot Hydropower Development Project	ENE	GI	OP3, OP5	CWEN	2016	TBD	350.0	0.0	0.0	350.0	0.0	350.0
Energy Sector Reforms and Financial Sustainability Subprogram 2 (PBL)	ENE	GI	OP6	CWEN	2017	TBD	0.0	300.0	0.0	300.0	50.0	0.0
TAPI Equity Financing	ENE	GI	OP7	CWEN	2019	TBD	100.0	0.0	0.0	100.0	0.0	TBD
National Disaster Risk Management Fund (additional financing)	FIN	GI	OP3	PRM	2020	TBD	200.0	0.0	0.0	200.0	60.0	5.3
Financial Markets Development Subprogram 1 (PBL)	FIN	GI	OP6	CWPF	2019	TBD	300.0	0.0	0.0	300.0	0.0	0.0
KP Multisector Development and Initiatives (SEFF)	MUL	GI	OP4, OP5, OP6	PRM	2020	TBD	50.0	0.0	0.0	50.0	0.0	0.0
Trade and Competitiveness Subprogram 2 (PBL)	PSM	GI	OP6	CWPF	NA	TBD	0.0	300.0	0.0	300.0	0.0	0.0
CAREC Corridor Development Investment Program (MFF tranche 2)	TRA	GI	OP7	CWTC	2015	TBD	200.0	0.0	0.0	200.0	48.0	150.0
KP Livable Cities Sustainable Development (MFF tranche 1)	WUS	GI	OP2, OP4, OP6	CWUW	2019	TBD	150.0	0.0	0.0	150.0	30.0	100.0
Total							1,880.0	600.0^b	0.0	2,480.0	318.0	605.3
2020 Standby												
KP Health System Strengthening (RBL)	HLT	GI	OP1, OP2	CWSS	2020	TBD	0.0	50.0	0.0	50.0	TBD	TBD
National Highway Rehabilitation and Improvement Project	TRA	GI	OP3, OP5	CWTC	2020	TBD	200.0	0.0	0.0	200.0	44.0	100.0
Total							200.0	50.0	0.0	250.0	44.0	100.0

Project/Program Name ^a	Sector	Poverty Targeting	Operational Priority	Division	Year of TRTA/ PRF	Cost (\$ million)						
						ADB					Gov't	Co-finance
						Total	Regular OCR	COL	ADF Grants	Total		
2021 Firm												
Kurram Tangi Water Resources	ANR	TI-G	OP3, OP5	CWER	2019	TBD	300.0	0.0	0.0	300.0	150.0	550.0
Climate Policy Sector Development Program (SDP)	ANR	GI	OP3	CWER/ PRM	2020	TBD	0.0	100.0	0.0	100.0	0.0	200.0
DG Khan Canal Irrigated Agriculture Improvement	ANR	TI-G	OP3, OP5	CWER	2021	TBD	80.0	0.0	0.0	80.0	0.0	0.0
Energy Sector Reforms and Financial Sustainability Subprogram 3 (PBL)	ENE	GI	OP6	CWEN	2017	TBD	0.0	400.0	0.0	400.0	50.0	0.0
Financial Markets Development Subprogram 2 (PBL) ^c	FIN	GI	OP6	CWPF	NA	TBD	300.0	0.0	0.0	300.0	0.0	0.0
Housing Finance (PBL)	FIN	GI	OP6	CWPF	NA	TBD	100.0	0.0	0.0	100.0	0.0	250.0
Enhancing PPPs in Punjab, Phase 2	FIN	GI	OP6	CWPF	NA	TBD	100.0	0.0	0.0	100.0	0.0	0.0
Enhancing PPPs in Sindh, Phase 2	FIN	GI	OP6	CWPF	NA	TBD	100.0	0.0	0.0	100.0	0.0	0.0
Integrated Social Protection Development Program (Ehsaas)	MUL	TI-H	OP1, OP2	CWPF/ CWSS/ PRM	2020	TBD	300.0	0.0	0.0	300.0	55.0	0.0
KP Health System Strengthening (RBL)	HLT	GI	OP1, OP2	CWSS	2020	TBD	0.0	50.0	0.0	50.0	0.0	TBD
National Highway Rehabilitation and Improvement Project	TRA	GI	OP3, OP5	CWTC	2020	TBD	200.0	0.0	0.0	200.0	44.0	100.0
Total							1,480.0	550.0	0.0	2,030.0	299.0	1,100.0
2021 Standby												
Power Distribution Strengthening (RBL)	ENE	GI	OP3	CWEN	2021	TBD	140.0	0.0	0.0	140.0	0.0	0.0
Sindh Provincial Road Improvement, Phase 2	TRA	GI	OP3, OP5	CWTC	2020	TBD	200.0	0.0	0.0	200.0	27.0	0.0
Punjab Provincial Roads (MFF tranche 1)	TRA	GI	OP3, OP5	CWTC	2020	TBD	150.0	0.0	0.0	150.0	20.0	TBD
KP Rural Road Development	TRA	GI	OP3, OP5	CWTC	2020	TBD	150.0	0.0	0.0	150.0	30.0	TBD
Punjab Water Supply and Sanitation	WUS	GI	OP2, 3, 4, OP5	CWUW	2015	TBD	150.0	0.0	0.0	150.0	60.0	150.0
KP Sustainable Urban Mobility	WUS	GI	OP4	CWUW		TBD	200.0	0.0	0.0	200.0	20.0	0.0
Total							990.0	0.0	0.0	990.0	157.0	150.0
2022 Firm												
Sindh Coastal Resilience	ANR	TI-G	OP3	CWER	2020	TBD	100.0	0.0	0.0	100.0	20.0	10.0
Punjab Agriculture Markets Development (additional finance)	ANR	TI-G	OP5	CWER	2020	TBD	100.0	0.0	0.0	100.0	0.0	0.0
KP Water Resources Development	ANR	GI	OP3, OP5	CWER	2017	TBD	50.0	0.0	0.0	50.0	30.0	0.0
Power Transmission Strengthening (RBL)	ENE	GI	OP3, OP6	CWEN	2019	TBD	200.0	0.0	0.0	200.0	0.0	100.0

Project/Program Name ^a	Sector	Poverty Targeting	Operational Priority	Division	Year of TRTA/ PRF	Cost (\$ million)						
						ADB					Gov't	Co-finance
						Total	Regular OCR	COL	ADF Grants	Total		
Power Distribution Strengthening (RBL)	ENE	GI	OP3	CWEN	2021	TBD	140.0	0.0	0.0	140.0	0.0	0.0
Support for Infrastructure Financing and PPPs (SDP)	FIN	GI	OP6	CWPF	2020	TBD	0.0	300.0	0.0	300.0	0.0	0.0
Second KP Health System Strengthening (RBL)	HLT	GI	OP1, OP2	CWSS	2020	TBD	0.0	50.0	0.0	50.0	0.0	TBD
Swat Expressway, Phase 2 (Chakdara–Fatehpur)	TRA	GI	OP3, OP5	CWTC	2019	TBD	40.0	0.0	0.0	40.0	0.0	0.0
Peshawar to D.I.Khan Motorway	TRA	GI	OP3, OP5	CWTC	2019	TBD	170.0	0.0	0.0	170.0	0.0	0.0
Sindh Provincial Road Improvement, phase 2	TRA	GI	OP3, OP5	CWTC	2020	TBD	200.0	0.0	0.0	200.0	27.0	0.0
CAREC Corridor Development Investment Program (MFF tranche 3)	TRA	GI	OP7	CWTC	2015	TBD	240.0	0.0	0.0	240.0	50.0	0.0
CAREC Railways Connectivity Development Program	TRA	GI	OP7	CWTC	2016	TBD	150.0	0.0	0.0	150.0	0.0	0.0
Punjab Provincial Roads (MFF tranche 1)	TRA	GI	OP3, OP5	CWTC	2020	TBD	150.0	0.0	0.0	150.0	20.0	TBD
KP Rural Road Development	TRA	GI	OP3, OP5	CWTC	2020	TBD	150.0	0.0	0.0	150.0	30.0	TBD
Punjab Water Supply and Sanitation	WUS	GI	OP2, 3, 4, OP5	CWUW	2015	TBD	150.0	0.0	0.0	150.0	60.0	150.0
KP Sustainable Urban Mobility	WUS	GI	OP4	CWUW	2019	TBD	200.0	0.0	0.0	200.0	20.0	0.0
Punjab Livable Cities Sustainable Development Investment Program (MFF tranche 1)	WUS	GI	OP2, 3, 4, OP5	CWUW	2019	TBD	200.0	0.0	0.0	200.0	60.0	150.0
Total							2,240.0	350.0	0.0	2,590.0	317.0	410.0
2022 Standby												
Augmentation in Chenab River Flows through improved Upper Jhelum Canal System	ANR	TI-G	OP3, OP5	CWER	2022	TBD	100.0	0.0	0.0	100.0	20.0	110.0
Greater Thal Canal Irrigation Phase 2	ANR	TI-G	OP3, OP5	CWER	2021	TBD	100.0	0.0	0.0	100.0	75.0	200.0
Sindh Improved Water Resources and Agriculture Management	ANR	GI	OP3, OP5	CWER	2020	TBD	100.0	0.0	0.0	100.0	20.0	110.0
Revitalization of River Ravi	ANR	TI-G	OP3, OP5	CWER	2020	TBD	100.0	0.0	0.0	100.0	10.0	0.0
Naulong Multipurpose Development Project	ANR	TI-G	OP3, OP5	CWER	2020	TBD	100.0	0.0	0.0	100.0	50.0	200.0
Sindh Secondary Education Investment (additional financing)	EDU	TI-G	OP1, OP2	CWSS	2017	TBD	0.0	75.0	0.0	75.0	0.0	TBD
Gas Sector Development	ENE	GI	OP3, OP6	CWEN	2019	TBD	150.0	0.0	0.0	150.0	150.0	TBD

Project/Program Name ^a	Sector	Poverty Targeting	Operational Priority	Division	Year of TRTA/ PRF	Cost (\$ million)						
						ADB						Co-finance
						Total	Regular OCR	COL	ADF Grants	Total	Gov't	
Second Power Distribution Enhancement Investment Program (MFF tranche 2)	ENE	GI	OP3	CWEN	NA	TBD	100.0	0.0	0.0	100.0	60.0	250.0
Hyderabad Southern Bypass	TRA	GI	OP4, OP5	CWTC	2018	TBD	100.0	0.0	0.0	100.0	30.0	TBD
KP Livable Cities Development (MFF tranche 2)	WUS	GI	OP2, OP4, OP6	CWUW	2019	TBD	100.0	0.0	0.0	100.0	30.0	200.0
Balochistan Urban Development (PRF)	WUS	GI	OP4	CWUW	NA	TBD	0.0	0.0	0.0	15.0	2.0	0.0
Total							950.0	75.0	0.0	1,040.0	447.0	1,070.0

ADB = Asian Development Bank; ADF = Asian Development Fund; ANR = agriculture, natural resources, and rural development; CAREC = Central Asia Regional Economic Cooperation; COL = concessional OCR lending; CWEN = Energy Division; CWER = Environment, Natural Resources and Agriculture Division; CWPF = Public Management, Financial Sector, and Trade Division; CWSS = Social Sector Division; CWTC = Transport Division; CWUW = Urban Development and Water Division; EDU = education; ENE = energy; FIN = finance; Gov't = government; GI = general intervention; HLT = health; KP = Khyber Pakhtunkhwa; MFF = multitranche financing facility; MUL = multisector; NA = not applicable; OCR = ordinary capital resources; OP1 = addressing remaining poverty and reducing inequalities; OP2 = accelerating progress in gender equality; OP3 = tackling climate change; building climate and disaster resilience, and enhancing environmental sustainability; OP4 = making cities more livable; OP5 = promoting rural development and food security; OP6 = strengthening governance and institutional capacity; OP7 = fostering regional cooperation and integration; PBL = policy-based lending; PPP = public-private partnership; PRF = project readiness financing; PRM = Pakistan Resident Mission; PSM = public sector management; RBL = results-based lending; SDP = sector development program; SEFF = small expenditure financing facility; TAPI = Turkmenistan-Afghanistan-Pakistan-India; TBD = to be determined; TI-G = targeted intervention—geographic dimensions of inclusive growth; TI-H = targeted intervention—income poverty at household level; TRA = transport; TRTA = transaction technical assistance; WUS = water and other urban infrastructure and services.

^a Given the provisional nature of the indicative lending program, the composition of lending instruments in the actual loan delivery may change.

^b COL allocation in 2020 includes carryover and adjustment from 2019.

^c Potential for local currency financing and guarantee support to be explored during due diligence.

Source: ADB estimates.

Table A3.2: Nonlending Products and Services, 2020–2022

Assistance Name	Sector	Division	Assistance Type	Sources of Funding				Total (\$'000)
				ADB		Others		
				Source	Amount (\$'000)	Source	Amount (\$'000)	
2020								
Sindh Improved Water Resources and Agriculture Management Project	ANR	CWER	TRTA	TASF	700.0	TBD	225.0	925.0
Climate Policy Reform Program	ANR	CWER	TRTA	TASF	500.0	TBD	75.0	575.0
Revitalization and Reintegration of River Ravi Project	ANR	CWER	TRTA	TASF	750.0	TBD		750.0
Enhancing PPPs in KP Province	FIN	CWPF	KSTA	TASF	225.0			225.0
Support for Housing Finance	FIN	CWPF	TRTA	TASF	750.0			750.0
Support for Health Insurance Financing	HLT	CWSS	TRTA			JFPR	1,500.0	1,500.0
Support for KP Health System Strengthening	HLT	CWSS	TRTA	TASF	500.0			500.0
KP Multisector Development and Initiatives	MUL	PRM	TRTA	TASF	225.0			225.0
Economic Corridor Development Knowledge Hub	IND/MUL	PRM	TRTA			TBD	300.0	300.0
Support for Integrated Social Development Program (Ehsaas)	MUL	PRM	TRTA	TASF	750.0			750.0
Support for Public Financial Management	PSM	CWPF	TRTA	TASF	750.0			750.0
Support for PSE Reform Program	PSM	CWPF	TRTA	TASF	500.0			500.0
KP Rural Roads	TRA	CWTC/ PRM	TRTA	TASF	500.0			500.0
Pakistan Transport Sector Development	TRA	CWTC	F-TRTA	TASF	1,500.0			1,500.0
Preparing for National Disaster Risk Management Fund (additional financing)	WUS	PRM	TRTA	TASF	225.0			225.0
Total					7,875.0		2,100.0	9,975.0
2021								
Greater Thal Canal Irrigation, Phase 2	ANR	CWER	TRTA	TASF	500.0			500.0
DG Khan Canal Irrigated Agriculture Improvement	ANR	CWER	TRTA	TASF	500.0			500.0
Establishing the Commodities Market Exchange	ANR	CWER	TRTA	TASF	500.0	TBD	75.0	575.0
Punjab Agriculture Markets Development (additional financing)	ANR	CWER	TRTA	TASF	500.0			500.0
Sindh Coastal Resilience	ANR	CWER	TRTA	TASF	700.0			700.0
Support for SSEIP (additional financing)	EDU	CWSS	TRTA	TASF	750.0			750.0
Preparing Sustainable Energy Projects (additional financing)	ENE	CWEN	F-TRTA	TASF	1,000.0			1,000.0
Support for Infrastructure Finance and PPPs	FIN	CWPF	TRTA	TASF	750.0			750.0
Supporting SME Growth	FIN	CWPF	TRTA	TASF	750.0			750.0

Assistance Name	Sector	Division	Assistance Type	Sources of Funding				
				ADB		Others		Total (\$'000)
				Source	Amount (\$'000)	Source	Amount (\$'000)	
Hyderabad Southern Bypass	TRA	CWTC	TRTA	TASF	800.0		800.0	
Total					6,750.0	75.0	6,825.0	
2022								
Augmentation in Chenab River Flows through improved Upper Jhelum Canal System	ANR	CWER	TRTA	TASF	225.0		225.0	
Sector Development Projects	MUL	PRM	F-TRTA	TASF	2,500.0		2,500.0	
Insurance Sector Development	FIN	CWPF	TRTA	TASF	750.0		750.0	
Capacity Building for Structural Transformation, Country Programming, and Portfolio Management, Phase 2	MUL	PRM	KSTA	CEF	1,000.0		1,000.0	
CAREC Railways Connectivity Development Program	TRA	CWTC	TRTA	TASF	750.0		750.0	
Total					5,225.0	0.0	5,225.0	

ADB = Asian Development Bank; ANR = agriculture, natural resources, and rural development; CAREC = Central Asia Regional Economic Cooperation; CEF = Clean Energy Fund; CWEN = Energy Division; CWER = Environment, Natural Resources and Agriculture Division; CWPF = Public Management, Financial Sector, and Trade Division; CWSS = Social Sector Division; CWTC = Transport and Communications Division; EDU = education; ENE = energy; FIN = finance; F-TRTA = transaction technical assistance facility; HLT = health; IND = Industry and Trade; JFPR = Japan Fund for Poverty Reduction; KP = Khyber Pakhtunkhwa; KSTA = knowledge and support technical assistance; MUL = multisector; PPP = public-private partnership; PRM = Pakistan Resident Mission; PSE = public sector enterprise; PSM = public sector management; SME = small- and medium-sized enterprises; SSEIP = Sindh Secondary Education Investment Program; TASF = Technical Assistance Special Fund; TBD = to be determined; TRA = Transport; TRTA = transaction technical assistance; WUS = water and other urban infrastructure and services.

Source: ADB estimates.

ASSISTANCE PROGRAM FOR CURRENT YEAR

Table A4.1: Lending Products, 2019

Project/Program Name ^a	Sector	Poverty Targeting	Priority Area	Division	Year of TRTA/ PRF	Cost (\$ million)						Co-finance
						Total	ADB			Gov't	Total	
							Regular OCR	COL ^b	ADF Grants			
Firm												
Punjab Water Resources Management (PRF)	ANR	TI-G	OP3, OP5	CWER	2019	6.5	5.8	0.0	0.0	5.8	0.7	0.0
Balochistan Water Resources Development ^c	ANR	TI-G	OP3, OP5	CWER	2014	107.0	0.0	100.0	0.0	100.0	0.0	7.0
Sindh Secondary Education Investment	EDU	TI-G	OP1, OP2	CWSS	2017	75.0	0.0	75.0	0.0	75.0	0.0	0.0
Energy Sector Reforms and Financial Sustainability Subprogram 1 (PBL)	ENE	GI	OP6	CWEN	2019	400.0	0.0	300.0	0.0	300.0	50.0	50.0
BISP Social Protection Development Program (additional Financing)	PSM	TI-H	OP1, OP2	CWPF/ PRM	2019	200.0	200.0	0.0	0.0	200.0	0.0	0.0
Trade and Competitiveness Subprogram 1 (PBL)	PSM	GI	OP6	CWPF	2018	500.0	0.0	500.0	0.0	500.0	0.0	0.0
Economic Stabilization Program (SPBL)	PSM	GI	OP6	CWPF	NA	1,000.0	1,000.0	0.0	0.0	1,000.0	0.0	0.0
KP Provincial Roads Improvement (additional financing) ^c	TRA	TI-G	OP3, OP5	CWTC	2016	75.0	75.0	0.0	0.0	75.0	0.0	0.0
Karachi Bus Rapid Transit	WUS	GI	OP3, OP4	CWUW	2013	571.0	235.0	0.0	0.0	235.0	87.0	249.0
Punjab Livable Cities Sustainable Development Investment (PRF) ^d	WUS	GI	OP3, OP5	CWUW	NA	16.6	0.0	0.0	0.0	15.0 ^f	1.6	0.0

Project/Program Name ^a	Sector	Poverty Targeting	Priority Area	Division	Year of TRTA/ PRF	Cost (\$ million)						
						ADB					Gov't	Co-finance
						Total	Regular OCR	COL ^b	ADF Grants	Total		
National Disaster Risk Management Fund (additional financing)	WUS	GI	OP3	PRM	NA	2.1	0.0	0.0	0.0	0.0	0.6	1.5
KP Livable Cities Development (PRF) ^e	WUS	GI	OP4	CWUW	NA	9.0	0.0	0.0	0.0	7.0 ^f	0.0	2.0
Total						2,962.2	1,515.8	975.0	0.0	2,490.8	139.9	309.5

ADB = Asian Development Bank; ADF = Asian Development Fund; ANR = agriculture, natural resources, and rural development; BISP = Benazir Income Support Program; CAREC = Central Asia Regional Economic Cooperation; COL = concessional OCR lending; CWEN = Energy Division; CWER = Environment, Natural Resources, and Agriculture Division; CWPF = Public Management, Financial Sector, and Trade Division; CWSS = Social Sector Division; CWTC = Transport and Communications Division; CWUW = Urban Development and Water Division; EDU = Education; ENE = energy; GI = general intervention; Gov't = Government; KP = Khyber Pakhtunkhwa; MFF = multitranches financing facility; NA = not applicable; OCR = ordinary capital resources; OP1 = addressing remaining poverty and reducing inequalities; OP2 = accelerating progress in gender equality; OP3 = tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability; OP4 = making cities more livable; OP5 = promoting rural development and food security; OP6 = strengthening governance and institutional capacity; OP7 = fostering regional cooperation and integration; PBL = policy-based loan; PRF = project readiness financing; PRM = Pakistan Resident Mission; PSM = public sector management; RBL = results-based lending; SPBL = special policy-based loan; TI-G = targeted intervention—geographic dimensions of inclusive growth; TI-H = targeted intervention—income poverty at household level; TRA = transport; TRTA = transaction technical assistance; WUS = water and other urban infrastructure and services.

^a Given the provisional nature of the indicative lending program, the composition of lending instruments in the actual loan delivery may change. Investment lending accounted for 73.7% of sovereign lending commitments in 2016–2018, while conventional PBL was 26.3% and RBL was 0%.

^b COL allocation in current year also includes carryover and adjustment of \$600.50 million from 2018.

^c Projects carried over from 2018 (year of approval).

^d The PRF will be refinanced by the ensuing regular OCR loan for 'Punjab Livable Cities Sustainable Development Investment Program' (MFF tranche 1) for 2022.

^e The PRF will be refinanced by the ensuing regular OCR loan for 'KP Livable Cities Development (MFF tranche 1)' for 2020.

^f The total cost and total financing under regular OCR funding source do not tally because the PRF amount will be refinanced by the ensuing regular OCR loan for the respective projects in subsequent years.

Source: ADB estimates.

Table A4.2: Nonlending Products and Services, 2019

Assistance Name	Sector	Division	Assistance Type	Sources of Funding				Total (\$'000)
				ADB		Others		
				Source	Amount (\$'000)	Source	Amount (\$'000)	
Capacity Building for Structural Transformation, Country Programming, and Portfolio Management (additional financing)	MUL	PRM	KSTA	CEF	750.0			750.0
Preparing the Kurram Tangi Water Resources Project	ANR	CWER	TRTA	TASF	1,800.0			1,800.0
Enhancing Technology-based Agriculture and Marketing in Rural Punjab	ANR	CWER	KSTA	TASF	500.0	JFPR	2,000.0	2,500.0
Preparing the Punjab Agriculture Markets Development Project	ANR	CWER	TRTA	TASF	600.0			600.0
Preparing the Improving Workforce Readiness in Punjab Project	EDU	CWSS	TRTA	TASF	800.0			800.0
Preparing Sustainable Energy Sector Projects ^a	ENE	CWEN	F-TRTA	TASF	2,500.0			2,500.0
Supporting Financial Markets Development	PSM, FIN	CWPF	TRTA	TASF	1,000.0			1,000.0
Pakistan Transport Sector Development F-TRTA ^b	TRA	CWTC	F-TRTA	TASF	300.0			300.0
Pakistan Urban Development F-TRTA ^c	WUS	CWUW	F-TRTA	TASF	1,200.0	PRC Fund	450.0	1,650.0
Total					9,450.0		2,450.0	11,900.0

ADB = Asian Development Bank; ANR = agriculture, natural resources, and rural development; CEF = Clean Energy Fund; CWEN = Energy Division; CWER = Environment, Natural Resources, and Agriculture Division; CWPF = Public Management, Financial Sector, and Trade Division; CWSS = Social Sector Division; CWTC = Transport and Communications Division; CWUW = Urban Development and Water Division; EDU = education; ENE = energy; FIN = finance; F-TRTA = transaction technical assistance facility; JFPR = Japan Fund for Poverty Reduction; KSTA = knowledge and support technical assistance; MUL = multisector; PRM = Pakistan Resident Mission; PSM = public sector management; TAPI = Turkmenistan-Afghanistan-Pakistan-India; TASF = Technical Assistance Special Fund; TRTA = transaction technical assistance; WUS = water and other urban infrastructure and services.

^a Indicative ensuing projects include Balakot Hydropower Development (firm in 2020) and TAPI Equity Financing and Power Distribution Supply (firm in 2022).

^b Indicative ensuing projects Provincial and Rural Roads Development (2021).

^c Indicative ensuing projects include Punjab Water Supply and Sanitation (2021).

Source: ADB estimates.

INDICATIVE KNOWLEDGE PRODUCTS AND EVENTS

Table A5.1: Knowledge Products and Events for 2020

Title of Publication or Event	Subject	Type	Department or Sector Group or Thematic Group	Funding Source
National Integrated Energy Sector Plan and Energy Policy	Energy	Publication and documentation	CWEN	NA
Analytical Findings from Energy Sector Resilience PBL	Energy	Publication and documentation	CWEN	NA
Report on Ravi River Revitalization	Agriculture and natural resources	Publication and documentation	CWER	TA 9463
“The New Khanki Barrage—A Driver for Change” under Asia Infrastructure Insights	Agriculture and natural resources	Publication and documentation	CWER	RETA 9441
Pakistan Railways Strategic Plan	Transport	Publication and documentation	CWTC	TA 8990
DRR Implementation Strategies of Different Partners under NDRMF	Climate change and Disaster Risk	Publication and documentation	PRM	NA
Total number of publications = 6				
Total number of events = 0				

CWEN = Energy Division; CWER = Environment, Natural Resources, and Agriculture Division; CWTC = Transport and Communications Division; DRR = Disaster Risk Reduction; PBL = policy-based loan; PRM = Pakistan Resident Mission; NA = not applicable; NDRMF = National Disaster Risk Management Fund; RETA = regional technical assistance; TA = technical assistance.

Source: Asian Development Bank estimates.

Table A5.2: Additional Knowledge Products and Events Delivered in 2019

Title of Publication or Event	Subject	Type	Department or Sector Group or Thematic Group^c	Funding Source
Supporting Economic Corridor Development through Strategic Policy Framework	Economics	Publication and documentation	CWRD	TA 9488
PPP Certification Trainings	Public Sector Management	Training or capacity Development	CWPF	TA 9239
“The New Khanki Barrage – A Driver for Change” case study under Asia Infrastructure Insights	Agriculture, natural resources, and rural development	Publication and documentation	CWER	RETA 9441
Best Practices in Operations & Maintenance of Irrigation Infrastructure in Pakistan, Technical Study Report	Agriculture, natural resources, and rural development	Publication and documentation	CWER	NA
Inclusiveness and Gender Mainstreaming in Designing and Implementation of Emergency Assistance Projects	Climate Change and Disaster Risk Management	Videos	PRM	TA 8912
DRR Innovations in Flood Reconstruction Resilience Project	Climate Change and Disaster Risk Management	Videos	PRM	TA 8912
DRM Training Module and ToT for Punjab Provincial Irrigation Department and Others	Climate Change and Disaster Risk Management	Training and Capacity Development Material; Training or Capacity Development	PRM	TA 8912
Community-Based DRM Training Module and ToT for Extension Services Management Department, Pakistan	Climate Change and Disaster Risk Management	Training and Capacity Development Material; Training or Capacity Development	PRM	TA 8912
DRM School Safety Training Module and ToT for Higher Education Department, Pakistan	Climate Change and Disaster Risk Management	Training and Capacity Development Material; Training or Capacity Development	PRM	TA 8912
Sustainable and Inclusive Mobility in Karachi BRT Project	Urban development	Videos	CWUW	NA
Total number of publications = 9				
Total number of events = 4				

BRT = Bus Rapid Transit; CWER = Environment, Natural Resources, and Agriculture Division; CWPF = Public Management, Financial Sector, and Trade Division; CWRD = Central and West Asian Regional Department; CWUW = Urban Development and Water Division; DRM = Disaster Risk Management; DRR= Disaster Risk Reduction; NA = not applicable; PPP = public–private partnership; PRM = Pakistan Resident Mission; RETA = regional technical assistance; TA = technical assistance; ToT = Training of Trainers.

Source: Asian Development Bank estimates.

Table A5.3: Innovation, Advanced Technology, and Pilot Initiatives to be Implemented in 2020

Item	Nature	Project Number	Sector or Theme	Division
Use of SEFF: KP Multisector Development and Initiatives	PLT	NA	MUL	PRM
Use of project readiness financing: Hydropower Development WAPDA	PLT	NA	ENE	CWEN
Total number of innovation, advanced technology, and pilot initiatives = 2				

CWEN = Energy Division, ENE = Energy, KP = Khyber Pakhtunkhwa, MUL = multisector, NA = not applicable, PLT = pilot initiative, PRM = Pakistan Resident Mission, SEFF = small expenditure financing facility, WAPDA = Water and Power Development Authority.

Source: Asian Development Bank estimates