January 2018

NEWS COVERAGE PERIOD FROM JANUARY 29TH TO FEBRUARY 4TH 2017

PAKISTAN, WB SIGN LOANS WORTH $305M

Dawn, February 3rd, 2018

ISLAMABAD: Pakistan and the World Bank signed agreements worth $305 million on Friday to support projects in the agriculture sector in Punjab and to improve the nutritional status of children and women in Khyber Pakhtunkhwa.

The Strengthening Markets for Agriculture and Rural Transformation (SMART) in Punjab programme will get a loan of $300m.

The SMART Punjab programme is aimed to help the provincial government promote transformational changes in the crop and livestock subsectors by focusing on activities contributing to three result areas: increased on-farm productivity and value of crops and livestock; increased value addition and competitiveness of crops and livestock; and enhanced resilience of smallholder farmers to climate change and natural disasters.

Each results area involves a specific combination of policy reforms, institutional strengthening and public investments. While the World Bank will provide loan of $300m for the project, the Punjab government will contribute $1,290m towards the project.

The government of Khyber-Pakhtunkhwa will get an additional financing of $5m on grant basis for the enhanced nutrition for mothers and children project.

The objective of the grant is to scale-up nutrition intervention in the province and improve the nutritional status of children under two-years of age, as well as pregnant and lactating women.

Secretary Economic Affairs Division, Arif Ahmed Khan signed the loan and grant agreements on behalf of government of Pakistan while representatives of the provincial governments signed their respective project agreements.

World Bank Country Director, Patchamuthu Illangovan signed the loan and grant agreements and the project agreements on behalf of World Bank.

https://www.dawn.com/news/1386922/pakistan-wb-sign-loans-worth-305m

NEWS COVERAGE PERIOD FROM JANUARY 15 TH TO JANUARY 21ST 2018
WORLD BANK PLANS INVESTMENT IN KARACHI’S DEVELOPMENT, SAYS MAYOR
Dawn, January 20th, 2018

KARACHI: Mayor Wasim Akhtar said on Friday that Karachi, with 50 per cent of its population living in slums, was facing series of civic issues and the World Bank's (WB) cooperation in resolving them was a good omen.

"The city's critical problems should be given priority which would help solve the basic issues negatively affecting Karachi," said Mayor Akhtar while chairing a meeting with the WB representatives.

The officials were visiting Karachi during which they held meetings with the authorities in the Sindh government and the Karachi Metropolitan Corporation (KMC) to work out a comprehensive plan to initiate development projects of importance in the city.

The mayor said the sprawling city was suffering mainly because of poor water supply and drainage system with improper sanitation conditions and broken roads.

He added that those problems were posing serious hurdles in the way of realistic development of the city. Mayor Akhtar urged the delegation to accord top priority to rehabilitation and construction of roads and bridges, and provision of machinery and equipment for cleaning of storm drains and emergency works.

He ordered the KMC officers to provide all possible help and support to the World Bank team in their study of the city projects.

He said the elected leadership of the metropolis was making all possible efforts to solve its problems and for that matter many plans were under consideration.

A KMC spokesperson quoted the World Bank representatives as saying that the world body was making $60 million to $80m investment in Karachi and in this connection under the Karachi integrated urban management project 2018, they were working on the city's drainage basin, locations and capacity of the city's main rivers, and depth and dredging requirements with the help of computerised software and through digital elevation model.

Officials said the study focused on the protection from floods and to prepare a workable plan in this connection.

Mayor Akhtar assured all possible cooperation in the World Bank's projects and said it was top priority of his administration to provide better facilities to citizens of Karachi.

The city mayor said Fyzee Rahamin Art Gallery was an important cultural heritage of the city and its land was gifted by renowned education and culture personality Begum Atiya Fyzee to the KMC for the citizens of Karachi.

He dispelled the impression that the land or building of the art gallery was being handed over to some organisation or individuals.

“As the sole trusty of this land, the KMC, under the trust deed, will continue to maintain and run this cultural centre and organise cultural and literary activities here,” said the mayor while speaking at a briefing given to him on the Fyzee Rahamin Art Gallery project.
Mayor Akhtar asked the officers that the land and building of the art gallery would only be utilised in accordance with the trust deed signed in 1952.

He said a huge modern auditorium named Aiwan-i-Riffat adjacent to the gallery was under construction and would soon be completed.

Earlier, the meeting was briefed that Begum Atiya Fyzee and her husband, Samuel Fyzee Rahamin, were invited by Quaid-i-Azam Muhammad Ali Jinnah to shift to Karachi from Bombay (Mumbai) after independence.

The celebrated couple was allotted a piece of land in Burnes Garden where in 1952 they constructed a building known as Aiwan-i-Riffat and decorated it with all their valuable collections and treasures of art and culture. Later, they gifted the place to the citizens of Karachi under a trust deed.

The KMC accepted the trusteeship vide its council’s resolution No 138/52 dated May 29, 1952, according to which the corporation had to maintain the building in proper repairs and preserve the exhibits and permit the public at large to visit the museum and picture gallery and ensure the use of this building for only the purpose described in the trust deed.

City Mayor Wasim Akhtar on Thursday claimed the city was facing, what he described as, a ‘stepmotherly’ treatment from Islamabad as the metropolis which provided billions of rupees in revenue to the Centre was not getting even ‘peanuts’ to meet its requirements for development.

“It is the duty of the elected authorities to solve problems of their citizens. All efforts would be taken to solve the issue pertaining to scarcity of water in Orangi,” said the mayor while speaking to reporters after inaugurating a newly-constructed road in union council 22 of Faqir Colony, Muslimabad.

He also visited various parts of the sprawling Orangi neighbourhood.

He said citizens had trusted and elected their local representatives in hope to get rid of everyday problems. He added that provision of potable water, better sewerage system, sanitation and road infrastructure formed basic rights of the people and it was their duty to solve those issues.

The elected representatives and notables of the area and senior officials of the Karachi Metropolitan Corporation accompanied the mayor.

Mayor Akhtar said Karachi was the backbone of the national economy and the city was running the whole country.

“Yet,” he added, “Karachi has been kept deprived of basic facilities and the governments must think on it before patience of citizens reach the saturation point.”

He expressed the hope that the newly-constructed road would provide comfort to the people in their daily life.

He said solving citizens' problems was the top priority of the elected representatives.

He added the lifting of garbage was also a major issue and it was time "we start thinking about this because poor sanitation and leakage from sewerage mains cause various diseases in the city".

https://www.dawn.com/news/138400

NEWS COVERAGE PERIOD FROM JANUARY 8TH TO JANUARY 14TH 2018
ADB TO HELP PUNJAB DEVELOP CLEAN RAVI PLAN
Dawn, January 12th, 2018

ISLAMABAD: The Asian Development Bank has approved technical assistance to help the Punjab government develop a plan to revitalise and build resilience in the Ravi river basin.
At the moment, the river basin is heavily polluted with urban, industrial and agricultural waste — which can lead to major human, health, food and water safety risks.

The approval came in response to a request of the provincial government. Pollution in the river has been a known problem since 1995, yet past clean-up efforts rarely moved beyond the conceptual stage.

The river is biologically dead, lacking dissolved oxygen along much of its reach downstream of Lahore, according to a report by the Punjab government. Major pollution sources include household wastewater, industrial effluent, agricultural runoff and solid waste.

A report by the World Wide Fund for Nature Pakistan assessed the situation near Lahore, mapping major urban drains and industrial discharges and concluded that Ravi is Punjab's most polluted river.

Two national water sector strategies between 2002 and 2012 highlighted the need to clean up the river and included investment proposals but these have not materialised.

A government-endorsed wastewater treatment feasibility study prepared with financial support from the Japan International Cooperation Agency in 2009 recommended a $413 million investment, while a similar study by a French consultant in 2011 recommended a $118m investment. Neither project went ahead.

In 2012, the Lahore High Court ordered the establishment of the Ravi River Commission to help clean the river. The commission reviewed the situation and prepared a report recommending a low-cost bioremediation plant costing $500,000 in Lahore as the first step. Soon after, however, the Lahore Development Authority proposed a $3 billion waterfront urban development project for the river that could preclude the treatment plant and pose further environmental risks. These organisations have been debating the issue in court and progress has stalled.

Pointing out that these risks will continue to worsen without urgent action by the government and society, ADB approved the technical assistance to support activities to assess the pollution problem, identify and close institutional gaps, raise awareness, and develop a long-term plan to revitalise and build resilience in the basin, with detailed investment recommendations.
The river which provides critical ecosystem services that support the provincial economy is one of the six trans-boundary rivers of the Indus River system. The river's previously rich biodiversity hosted at least 31 fish species, among other wildlife, that offered livelihoods for Punjab's rural poor. Its partial flow through the Lahore Canal also has recreational and cultural value to city's residents.

Ravi River merges into Chenab River and then the Indus, which flows to the Arabian Sea. About 50m people live in the basin within Pakistan. This includes 24m urban dwellers in Punjab's major cities of Lahore and Faisalabad, and in about 70 other urban areas. The basin experiences huge flow variations, ranging from 10 cubic meters per second in the dry season to 10,000 cubic meters per second in the wet season.

According to the ADB, despite its economic value, the river basin has become heavily polluted since the 1990s. Punjab's cities, industries, and agricultural areas have developed without effective infrastructure to control, capture, and treat their discharges of polluted water, and without effective policies and regulations in place to reduce the pollution at source.

Experts agreed that pollution has been creating major health, environmental, food, and water safety risks that hurt the province's economy and worsen its poverty.

https://www.dawn.com/news/1382415/adb-to-help-punjab-develop-clean-ravi-plan

CAN PAKISTAN SURVIVE WITHOUT US AID?
Business Recorder, 12 January 2018

Dr Ashfaque H Khan

On January 1, the President of the United States Donald Trump, in his maiden tweet of 2018, said that the US has given more than $ 33 billion in aid to Pakistan over the last 15 years, but in return they received nothing but "lies and deceit". Such an unwarranted and ill-informed tweet created an uproar, and rightly so, in Pakistan's corridors of power, Press and masses in general. What is the factual position about $ 33 billion US aid? Is it a myth or a reality? Can Pakistan survive without US financial support? This is the subject matter of this article.
It goes without saying that the United States is and has been one of the major development partners of Pakistan. It accounts for 21 percent of Pakistan's total trade. It is still the largest (17% or $ 2.5 billion) export market of Pakistani products. It is the third largest source of workers' remittances ($2.4 billion or 12.6%) and one of the major foreign investors in Pakistan. Economic ties between the two countries have, however, considerably strained over the last 15-16 years in general but more so during the last 7-8 years, thus reflecting the changing priorities and interests of the two countries vis a vis. each other.

United States is a superpower and wields a lot of influence (being a major shareholder) on International Financial Institutions. Accordingly, it has played a pivotal role in the past in encouraging the IMF and the World Bank to assist Pakistan in its difficult financial conditions. A friendly United States is also considered important in rating Pakistan's sovereign credit risks by the international rating agencies. Pakistan acknowledges the economic and political support that the United States has provided in its difficult hours in the past.

The total amount that Pakistan received from the United States since 2001–02 and until 2016-17 stands at $ 33. 4 billion, of which, $ 14.6 billion (or 43.7%) is the Coalition Support Fund (CSF). The CSF is simply the reimbursement of expenditures that Pakistan incurred while fighting the War on Terror. Since this war is being fought on daily basis, the expenditures are also incurred daily. At the end of the month, the bill is prepared by the Joint Staff Headquarters and shared with the representatives of the US government in Islamabad. After a detailed scrutiny of all the expenditures and approval by the local authorities, the bill is then forwarded to the headquarters of the US Central Command in Tampa, Florida and after its approval, goes to the US Department of Defense for reimbursement.

The reimbursement has usually been received by Pakistan after a lapse of, on average, six months. Since Pakistan borrows money from domestic sources to finance the war and the reimbursement is made after six months, the interest cost of the borrowing (in billions of rupees) is borne by Pakistan itself. The interest cost has never been the part of the reimbursement. All in all, $14.6 billion is reimbursement of Pakistan's expenditure and therefore, cannot be regarded as US aid to Pakistan. The United States itself treats CSF as "'Defense Department funding to reimburse Pakistan for logistical and operational support…; it is technically not foreign assistance". Still Donald Trump included this amount in his $33 billion 'bill'.

Adjusting for CSF, the non-CSF US assistance amounts to $18.8 billion. Within non-CSF funding, $8.0 billion is the total security–related assistance, of which, $6.2 billion (or 78%) is Foreign Military Financing ($3.8 billion) and Counter Insurgency Fund ($2.35 billion). It is the same $255 million under FMF which has been suspended by the US Administration. The Pakistani military does not get cash under FMF but gets military equipment of the same amount. Can it weaken Pakistan's military capability if it doesn't get $255 million worth of equipment? I guess not. The remaining security-related assistance ($1.2 billion) deals with narcotics control and law enforcement, military education and training and so on.

After adjusting security–related assistance ($ 8.0 billion), the remaining $ 10.8 billion is the economic assistance that Pakistan received during the last sixteen years from the United States. This amounts to yearly average of $ 678 million, roughly one percent of Pakistan national budget, of which, bulk (3/4th) of the economic assistance has been disbursed by the USAID. The government of Pakistan has received very little US economic assistance directly. If the USAID stopped funding their program in Pakistan, will it seriously affect Pakistan's economy or its budget? I guess not.

It is also important to note while the United States reimbursed $14.6 billion since 9/11, this amounts to only less than 12 percent of the total cost that Pakistan's economy suffered ($123 billion) during the last 16 years while fighting the war. Apart from a massive damage to the economy of Pakistan ($123 billion), the country also witnessed the loss of 70,000 Pakistani lives and over 5000 security personnel embraced Shahadat, thus far, in the war.

Pakistan has given enormous sacrifices, both in terms of men and material. Its people became more insecure in this war to make the world a safer place to live. We made sacrifices so as to enable the people of the Western World, particularly the United States to sleep in peace.

Should we blame Donald Trump or the US Administration for mischievous narratives or should we blame our leadership for not presenting the facts and figures to the international community? In my opinion, we should blame ourselves. None of our political leadership ever used the UN General Assembly Session to inform the world leaders about the sacrifices—both in terms of men and material—that we made to make the world a safer place. Never did any of the cabinet ministers present Pakistan's case before the international community. If we don't sell our narrative, how should the world appreciate the criticality our contribution to the peace? Naturally, the world would know the kind of narrative that the US administration has given to the it over the last one and a half decade. The statement of Donald Trump is an insult to our sacrifices. We have fought the war largely from our own resources. Can a poor country like Pakistan continue to fight the war on terror for sixteen long years?

The United States has maintained a transactional relationship with Pakistan all along. Changing goalposts frequently has been the norm since 9/11. The Haqqani Network in Washington DC (a la Hussain Haqqani) has been very active since 2008. A highly anti-Pakistan narrative has been taken seriously by the US Administration. Even the current administration's foreign policy towards Pakistan is based on the Hudson Institute's report "A New U.S. Approach to Pakistan: Enforcing Aid Conditions without Cutting Ties", February 2017, co-authored by Hussain Haqqani and Lisa Curtis. As long as the US continues to rely on the 'Haqqani network' in Washington, DC, the political and diplomatic relations between the two countries may not improve anytime soon.

It is pertinent to note that Pakistan's dependence on US financial and political support is relatively less today than at any time in the past. The emergence of China and the new Asian Financial Infrastructure have created alternative sources of development finance. An Asian developing country like Pakistan can tap development funding from several alternative sources from Asia, if need arises. The Chinese Development Bank itself has emerged as a major source of development funding.

The recent decision of Pakistan's Central Bank to use Chinese Currency Yuan for the settlement of bilateral trade and investment between China and Pakistan is a major development. This has also opened the opportunities for Pakistan to float Yuan-denominated bond in China. The resource so generated can be utilized for financing trade with China, thereby reducing the need for other hard currency.

At the end, let me summarize by stating that economic assistance from the United States is of little significance for Pakistan. Emergence of alternative sources of development finance in Asia has reduced the dependence of Asian developing country like Pakistan on the World Bank.

Pakistan nonetheless would like to maintain a friendly relationship with the US with dignity. US will always need Pakistan to bring peace and stability in Afghanistan. Hence, both countries need each other.

It is, therefore, in the interest of the US to keep itself away from the outdated narrative of the 'Haqqani network' in Washington, D.C.

https://epaper.brecorder.com/2018/01/12/21-page/693585-news.html

February 2018

NEWS COVERAGE PERIOD FROM FEBRUARY 19TH TO FEBRUARY 25TH 2018

ADB OFFERS FUNDING TO MODERNISE RAILWAYS

Dawn, February 20th, 2018

Amin Ahmed

ISLAMABAD: The Asian Development Bank has expressed its willingness to identify and arrange commercial co-financing for projects of Pakistan Railways, particularly modernizing its infrastructure and rolling stock.

ADB Director-General for Central and West Asia Werner Liepach, on his visit to Pakistan, held detailed discussions with Secretary Railways Parveen Agha on Monday on the modernization of railways. Up gradation of Pakistan Locomotives Factory in Risalpur, procurement of new locomotives and creation of a freight company were discussed at lengths.

Mr Werner, who previously served as ADB country director in Pakistan, stated that the group's co-financing for railways project will be the seed money to bring in more commercial funding.

ADB believes the railway sector needs to exalt its infrastructure to provide more inexpensive transport services and recover the market share lost to roads.

The Pakistan Locomotives Factory at Risalpur, which started operations in 1992, has the designed production capacity of 25 diesel electric locomotives per year. Despite having the potential to double the production, the factory has not been able to perform accordingly.

Railways has realized that the locomotives factory will remain an underperforming public sector entity without foreign investment and technical assistance, and plans have been prepared to seek international help.
The factory has manufactured a total of 102 diesel electric locomotives since 1993.

https://www.dawn.com/news/1390487

March 2018

NEWS COVERAGE PERIOD FROM MARCH 19TH TO MARCH 25TH 2018

$260M ADB LOAN TO REVAMP POWER TRANSMISSION NETWORK

Dawn, March 21st, 2018

Amin Ahmed

ISLAMABAD: The Asian Development Bank and the Government of Pakistan on Tuesday signed a $260 million loan agreement to improve the power transmission network in Sindh and Balochistan.

The agreement is part of the second power transmission enhancement investment programme aimed to improve coverage, reliability, transparency, and quality of the power transmission service in Pakistan by expanding the 220-kilovolt transmission network in Sindh and Balochistan and upgrading the supervisory control and data acquisition (SCADA) and revenue metering systems (RMS) in the country.

ADB hopes the new line with increased capacity will also improve system reliability and voltage profile in the two provinces and reduce transmission losses.

The agreement was signed by ADB Country Director for Pakistan, Xiaohong Yang Secretary Economic Affairs Division, Syed Ghazanfar Abbas Jilani in Islamabad. ADB Director-General for Central and West Asia, Werner Liepach also witnessed the ceremony.

The enhanced capacity line will facilitate the full utilisation of the Uch power plants under all conditions, including single-circuit outages of the alternative lines to Sibi. Ensuring full despatch from the Uch power plants is important as they operate on natural gas from the Uch gas fields, and therefore are one of the cheapest power plants in Pakistan.

The project is necessitated by the poor condition of the existing Guddu-Shikarpur-Uch-Sibi PC pole line which is in a dilapidated condition and beyond economic repair. The line was constructed in 1997 for 132kV, later upgraded to 220kV with replaced cross arms, and has now served its economic lifetime.

The work to be carried out by National Transmission and Despatch Company in this subproject consists of construction of a new 220 kV Guddu-Uch-Sibi single circuit steel tower transmission line on twin bundle rail conductors with the provision of interconnection of Guddu-Sibi section with existing 220 kV double circuit transmission line for In/Out of 220 kV Shikarpur grid station.

Upgrading the SCADA and RMS across the national grid will enable real-time monitoring and control of the grid, preventing losses, reducing power outages, and increasing the grid stability and capacity.

It will also feed computerised metering data complying with the grid code into the system for settlement of the market operator, the Central Power Purchasing Agency (Guarantee) Ltd to streamline revenue collection, billing and payment processes, as well as create the foundation for an energy-trading platform.

The power transmission network upgradation will also help off-take power from new and renewable power plants to the national grid and on the load centres enhancing Pakistan's energy security.

https://www.dawn.com/news/1396568

NEWS COVERAGE PERIOD FROM MARCH 12TH TO MARCH 18TH 2018
SINDH CM LAUNCHES $98M WORLD BANK-ASSISTED PROJECT TO MAKE KARACHI 'LIVABLE'
The Express Tribune, March 13, 2018

Chief Minister Murad Ali Shah has said that the Sindh government is working to transform Karachi into a more livable, green and resilient metropolitan city by formulating and following the well thought out Karachi Transformation Strategy (KTS). The objective of the KTS is to improve the city's physical and socio-economic infrastructure and services delivery in water supply and sanitation, transportation, urban spaces, and institutional strengthening and transformation.

This he said while addressing the launching ceremony of Educational and Cultural Zone – Saddar under the World Bank-assisted Karachi neighbourhood improvement project (KNIP) at Burnes Garden Monday evening.

The programme was attended by provincial ministers Nasir Hussain Shah and Sardar Ali Shah, Chief Secretary Rizwan Memon, World Bank Country Director Patchamuthu Illangovan, Planning and Development Chairperson Mohammad Waseem, Principal Secretary to the CM Sohail Rajput and others.

He said that the World Bank has engaged itself in the KTS to support the Sindh government's vision and has carried out a comprehensive Karachi City Diagnostic (KCD) programme. The KCD is an unprecedented endeavour to collect comprehensive data on the city's economy, livability and key urban infrastructure, providing an overview of the challenges and opportunities facing the metropolis and estimates of investment levels needed to bridge the infrastructure gap and improve the metropolitan region's economic potential.

In light of the depth and scale of the city's challenges in terms of policy reforms, institutional governance and infrastructure needs, the provincial government and World Bank have agreed to launch a dual-track approach.

In the first track, the World Bank is supporting a 'quick wins' operation under KNIP, focusing on fast, low-cost and high impact interventions to respond to emergent city needs. The engagement would be a transition to the deeper institutional reforms and major investment needs identified under the KCD. These reforms would focus on priority areas, such as building a competitive business environment, improving city governance and municipal service delivery and increasing access to water supply and sanitation for implementation of major KTS initiatives to transform the city. The initiative includes improving the safety, accessibility and attractiveness of public spaces in Karachi, such as streets, parks, city squares and pedestrian areas. It also aims to ensure equal access for all, including women, youth and the underprivileged. Once completed, the project will also make it easier for investors and the public to access services, such as construction work and business registrations.

The cost of the project is US$98 million, in which the World Bank's share is $86 million, while the provincial government will provide $12 million. The project involves the improvement of public spaces and mobility in three select neighbourhoods comprising the revitalisation of the Saddar downtown area, Malir and Korangi.

The CM launched the project by unveiling the plaque and later, along with the World Bank country director and the provincial ministers, he visited Sharae Kamal Attaturk where work has started.

Saddar has a high concentration of civic, education, cultural and commercial activities and a large number of daily visitors and passers-by. The subprojects include upgrading roads and streets, sidewalks and pedestrian crossings within existing rights-of-way (ROW), upgrading existing open spaces, installing shade features and removing barriers for visitors, reorganising traffic patterns and closing certain street segments, installing signs, street furniture, lighting and bus stop shelters, organising parking and installing safety barriers to reduce vehicular encroachment on sidewalks and enhance safety and rehabilitating infrastructure and storm water drainage beneath roads upgraded by the project.

The education and cultural zone forms a triangle – Dr Ziauddin Ahmed Road from Shaheen Complex to Pakistan Chowk, Deen Muhammad Wafai Road from Arts Council to Pakistan Chowk and MR Kiyani Road from Shaheen Complex to Fawara Chowk and Sharae Kamal Attaturk from the Sindh Secretariat gate to DJ Science College.

These interventions are part of the first phase of the project. The second phase includes provision of an underground car parking facility and public spaces, such as food centres on Sharae Kamal Attaturk. The underground car parking of 10,000 square metres each will accommodate 400 cars and 600 motorcycles and will be developed as per international standards. This intervention will greatly alleviate congestion caused by haphazard street parking and will cater to the parking requirements of the Sindh Secretariat, educational institutes, museums, neighbourhood and commercial areas

The Shaheen Complex intersection, Arts Council junction and Pakistan Chowk junction are designed in a manner that ensures public safety, thereby improving the flow of traffic. Midblocks and islands will be provided for convenience of traffic and the pedestrians.

The junctions will be provided with guard rails along the edges to prevent pedestrians from crossing on to the roads. Each crosswalk will be provided with a pelican crossing for additional safety of the pedestrians. The use of tactile flooring will be made to facilitate persons with disabilities.

Spaces within the Arts Council complex are designed to improve and cater to the infrastructure needs of the complex, with an introduction of landscape features, seating arrangement and various other facilities.

The cost of the education and cultural zone project is Rs1.44 billion and work is planned to be completed within 10 months. In the second phase, a food and recreational zone and administrative zone will be established in different areas of Saddar.

The KNIP project in Malir involves rehabilitation and improvement of the Khokhrapar Road from Saudabad to Thado nullah.

The three-kilometre road is a three-lane road on both sides with a service road, where available. The main features of the project include provision of road safety features and traffic control devices. The riding quality will be improved through resurfacing of the existing carriageway. The plan includes reconstruction of the pavement structure in sections where the existing carriageway remains inundated for a longer period and has undergone a complete base failure, provision of pedestrian facilities especially designed for maximum convenience of the road users, persons with disabilities, the elderly, women and children, provision of improved facilities for public transport users, parking provision near commercial centres, mosques and educational institutions, provision of parking for private vehicles, rickshaws, taxis and drop-off areas, provision of LED street lights, provision of trash bins at convenient locations in the corridor, improvement of the existing green belt via installation of benches and planting trees, landscaping of the intersections and other available open spaces along the road to beautify the area and dualisation of the bridge over Thado nullah connecting the rural areas of Memon Goth with the urban areas of Malir and Korangi.

The plan also includes the replacement of old water mains and choked sewers and rehabilitation of the utility network and construction of storm water drains along both sides of the carriageway.

This is a Rs733 million project and it will be completed within six months.

The cost of the project in Korangi is Rs694 million. In the first phase, the project involves rehabilitation and improvement of 9000 Road from the Coast Guard Chowrangi to Ibrahim Hyderi. It is a 3km dual and single carriageway road to be developed from the Coast Guard Chowrangi to Ibrahim Hyderi. The same cross sections as those for Malir are designed for Korangi. It would have sidewalks on both sides of the roads, which would be widened for ease of pedestrians.

Other features of this road include pedestrian crossings, lighting, bus shelters, safety barriers for pedestrians, rehabilitation of underground infrastructure and storm water drainage beneath upgraded roads within the existing ROW.

https://tribune.com.pk/story/1658122/1-sindh-cm-launches-98m-world-bank-assisted-project-make-city-livable/

PAKISTAN OBTAINED 35BN YEN FROM JICA AND $1.62BN FROM ADB, WB: NA TOLD

Business Recorder, 13 March 2018

Naveed Butt

ISLAMABAD: Pakistan has obtained loans to the tune of 35 billion yen and $1.62 billion from Japan International Cooperation Agency, the Asian Development Bank (ADB) and World Bank, and has utilized 1.37 billion yen and $365.1 million so far during the last three years for improvement of road infrastructure.

According to a written reply submitted to the National Assembly on Monday, Pakistan Muslim League-Nawaz (PML-N) government obtained 35 billion yen loan from Japan International Cooperation Agency, $1.12 billion from Asian Development Bank and $495 million World Bank.

The PML-N government attained loan of $117.6 million for construction of Burhan to Sara-e-Sehla Road in last three years and utilized $31.8 million, out of $82.4 million grant, $72.4 million were utilized for the same road, out of $122.6 million loan, $28.984 million were utilized for Balochistan road network, out of $178 million loan, $48.97 million were utilized for Gojra to Shorkot Road and out of $92 million grant, $10.21 million were utilized for the same road.

The government also obtained $87.8 million loan and utilized $21.4 million for construction the road from Sara-e-Sihla to Simlala, out of $39.2 million grant, $30.214 million were utilized for the same road, out of $100 million loan for Shorkot to Khanewal road, $17.7 million were utilized, out of $100 million loan for the same road, $16.866 million were utilized, and out of $204.37 million loan for Flood Emergency Rehabilitation Project, $86.91 million were utilized.

The government obtained 19.46 billion yens loan for Shewan-Ratodero Project but the amount has not been utilized so far, while out of 15.49 billion yens loan for Rakhi Gaj Bewata Project East West Project, $1.37 billion have been utilized so far.

The government obtained five loans of $495 million from World Bank but the amount has not been utilized so far.

In another written reply, Federal Minister for Communication Hafiz Abdul Kareem told the National Assembly about the present status of the under-construction motorway from Gojra to Shorkot and Shorkot to Khanewal. He said that Gojra-Shorkot (section-2) is under construction in two parts (contracts); (i) Package-2A [Gojra-Jamani (Toba Tek Singh, 31 km)] and 65 percent work has been completed while the completion date for this package is 25 May 2018; (ii) Package-2B (Jamani-Shorkot-30km) and 55 percent work has been completed while said that the completion date of this package is 25 June 2018.

He said that Shorkot-Khanewal Section-3 is under construction in two parts (contracts); (i) Package-3A (Shorkot–Dinpur-31km) and 45 percent work has been completed while completion date for this package is 14th August 2018 and; (ii) Package-3B (Dinpur–Khanewal, 34 km) and 38 percent work has been completed while the completion date of this package is 14th August 2018.

In another reply, Minister for Defense Engr Khurram Dastgir Khan told the House that a total of 1671 Pakistani Armed Forces personnel are deployed in Saudi Arabia under agreement/ MoU. Added said that 629 Pakistani troops are deployed in Qatar, 63 in Oman and 66 in the UAE.

Minister for Law and Justice Chaudhry Mahmood Bashir Virk also informed the House that a total of 659 cases of corruption are pending in National Accountability Bureau (NAB). He said that 282 cases out of 659 are under investigation.

The minister said that keeping in view the confidentiality and sensitivity involved in the cases of corruption, the names of accused being public office holders cannot be made public.

Meanwhile, at the start of the session, Dr Shireen Mazari pointed out quorum and the Speaker National Assembly suspended the House due to lack of quorum. After 30 minutes, the session met again but the deputy speaker has to adjourn the House till Tuesday (today) due to incomplete quorum.

https://epaper.brecorder.com/2018/03/13/5-page/704544-news.html

DESPITE DEMAND: PAKISTAN WON'T DIVERT $200M TO REFUGEE REPATRIATION
Zafar Bhutta

The Express Tribune, March 14, 2018

Islamabad has refused the demand of the international community to divert $200 million (Rs22.1 billion) pledged by it for development of Afghanistan to offer incentives to Afghan refugees in Pakistan for their repatriation.

A senior government official told The Express Tribune that the maximum number of Afghan refugees had left for their homeland in 2016 primarily due to the payment of US$400 (Rs44,248) per person by the United Nations High Commissioner for Refugees (UNHCR) to each Afghan refugee.

The UNHCR has now halved this incentive which has adversely affected the repatriation process. However, international agencies have now asked Pakistan to divert US$200 million out of US$500 million which it pledged to the government of Afghanistan for their development," he said.

Pakistan is of the view that the repatriation of Afghan refugees is an international issue and should not be dealt with bilaterally. Pakistan will, therefore, not be contributing another $200 per person to their repatriation as they are primarily the responsibility of the international community, the UNHCR, and Kabul.

The official said this amount is being requested to be given from the $500 million that Pakistan had promised to contribute to the development of Afghanistan. However, Pakistan intends to use the amount for its designated purpose as its contributions to Afghan development will be more visible and project a better image of the country as compared to piecemeal payments to individual refugees.

He said the return of Afghan refugees in 2016 was due to conductive conditions prevailing in Afghanistan, which have since deteriorated. This situation is likely to get even worse in the next couple of months and the refugees are not likely to be lured right now with a monetary incentive, he said.

The government believes that return of Afghan refugees should be gradual and voluntary and with dignity and honour. However, this option of voluntary return is available to only to those who have a Proof of Registration (PoR) card. Others residing in Pakistan illegally cannot exercise this option.

States and Frontier Region Ministry (Safron) submitted a plan to the cabinet in its meeting held on January 31. The meeting had approved an extension in the validity of the PoR cards and tripartite agreement till March 31, 2018, and directed Safron to resubmit other proposals in the next cabinet meeting.

Safron submitted different proposals in a meeting of cabinet held last month. The cabinet was requested to extend the validity of the PoR cards and tripartite agreement till June 30, 2018.

It also asked to approve diverting US$200 million out of US$500 million already pledged by Pakistan to Afghanistan for payment to Afghans as resettlement grant after three months of their repatriation.

It also requested to identify undocumented and unregistered Afghans immediately and deport them under section 14 of the Foreigners Act. Deportation plan should be executed by Interior division and provincial governments.

Safron proposed to form committees on federal and provincial levels for implementation and monitoring progress on deportation. It requested to provide funds to provincial governments and relevant federal ministries and departments by finance division.

https://tribune.com.pk/story/1659243/1-despite-demand-pakistan-wont-divert-200m-refugee-repatriation/

GOVT ASSURES IMF DEEPER SCRUTINY OF FOREIGN-FUNDED PROJECTS
Dawn, March 16th, 2018

Khaleeq Kiani

ISLAMABAD: The government has given an undertaking to the International Monetary Fund (IMF) to immediately increase natural gas and electricity tariffs and conduct deeper scrutiny of foreign-funded projects to reduce increasing risks to fiscal and external accounts.

The two sides have conceded that limited progress could be achieved in the short time left in the tenure of the government to pursue structural reforms and improve bleeding public sector entities but agreed that procedures could be completed in this regard to move quickly at an opportune time.

While the IMF expressed concern that Pakistan’s debt profile, despite improvements in recent years, was deteriorating to touch around 70 per cent of GDP but authorities were optimistic about the impact of recent policy measures.

Fund expresses concern over deteriorating debt profile

This is part of the detailed post-programme monitoring report of the IMF released on Wednesday after clearance from the Government of Pakistan.

"In this context, (the IMF) staff welcomed the authorities' plans to revisit the current cross-subsidisation arrangements and notify higher tariffs in the gas sector to ensure adequate cost recovery", read the IMF report.

The government conceded external sector vulnerabilities but offered a more optimistic assessment of the capacity to repay. They thought that with the recent depreciation, equilibrium had been restored in the foreign exchange market, helping to address any medium-term financing gaps.

Based on the authorities' projections of a stronger economic response to their policy measures, they expected continued positive investor confidence and access to external financing, with gradually improving reserve coverage over the medium term.

The IMF called for strengthened fiscal discipline to reduce debt-related vulnerabilities and rein in the current account deficit and despite the pre-election period, the IMF recommended complementing the positive revenue performance with an early introduction of additional measures to contain this year's budget deficit to 5pc of GDP.

This could be achieved with further elimination of tax concessions and exemptions (0.3pc of GDP), raising of petroleum taxes, withholding taxes and excises (0.1pc of GDP), and containing current expenditure (0.1pc of GDP). The IMF staff urged decisive short-term actions to contain quasi-fiscal losses in PSEs and welcomed the government intentions to notify revised electricity tariffs to help contain build-up of power sector arrears.

The IMF also urged faster implementation of other components of the circular debt reduction plan (including continued efforts toward improving distribution companies' losses and collections). The IMF also recommended additional electricity surcharges to facilitate cost recovery until the underlying structural issues are tackled. It emphasised the urgency to arrest losses by Pakistan International Airlines (PIA) and Pakistan Steel Mill (PSM).

The authorities viewed the current fiscal and monetary policy stances as adequate.

They agreed with the need to contain the fiscal deficit to 5pc of GDP. They expected this target to be attainable on current policies, while indicating a willingness to take additional policy measures should the need arise.

The authorities broadly agreed with the policy priorities for ailing public enterprises and the need to strengthen electricity distribution companies' financial performance and to notify updated electricity tariffs. They were hopeful that a new plan to restructure and seek private participation in PIA would help improve its financial performance. "They are also actively considering options to privatise PSM".

The IMF called for careful phasing in of new external liabilities and strengthening of external buffers to complement short-term efforts to strengthen external sustainability.

Considering the significant increase in external financing needs in the coming years, the fund recommended caution when considering the assumption of new external liabilities now that the most urgent energy supply shortfalls have been addressed. In parallel, saving foreign exchange proceeds from additional external borrowing will be important to improve resilience and ensure medium-term sustainability.

The authorities broadly agreed with these priorities and agreed to increase the scrutiny of the terms of new foreign-financed projects and to minimise the role of imported fuel in energy sector projects. They underscored that achieving higher exports will be important for sustainable growth and external sector resilience.

The government also concurred with the need for further fiscal consolidation through the medium term, in part driven by raising more revenue through broadening of tax bases and improving fiscal federalism framework, while noting the constitutional constraints and the need for extensive consultations with the provinces, which may limit the range of politically feasible reforms.

The IMF put Pakistan's public and publicly guaranteed debt at 69.7pc of GDP by the end of current fiscal year, close to the level of the previous fiscal year (70pc of GDP), while public debt excluding guarantees was about 67pc of GDP.

Debt levels are higher than envisaged in the debt sustainability analysis under 2017 article IV consultations, largely reflecting the significantly higher fiscal deficit (by 1.3pc of GDP), due to revenue underperformance and a sizable increase in provincial development spending. Net public debt also increased to around 62pc of GDP. Public and publicly guaranteed debt has been projected to remain close to 70pc of GDP by 2023 under the baseline.

https://www.dawn.com/news/1395477/govt-assures-imf-deeper-scrutiny-of-foreign-funded-projects

April 2018

NEWS COVERAGE PERIOD FROM APRIL 23 RD TO APRIL 29TH 2018

NEW IMF POLICY AIMS TO CURB FLOW OF CORRUPTION MONEY

Dawn, April 23rd, 2018

WASHINGTON: The International Monetary Fund launched a new policy on Sunday for fighting corruption as its Managing Director Christine Lagarde warned that funds stolen from developing countries were often stashed away in major world capitals.

A key element of the new policy is to prevent the private sector from offering bribes and from facilitating concealment of corruption proceeds.

“There is evidence that corruption can have a pernicious effect on a country’s ability to achieve sustainable, inclusive economic growth,” warns the policy paper.

“To truly fight corruption, we need to address the facilitation of corrupt practices by private actors,” said Lagarde. “To do this, we will be encouraging our member countries to volunteer to have their legal and institutional frameworks assessed by the Fund.”

In a statement issued by her office, she reminded all IMF member states to ensure that “they criminalise and prosecute foreign bribery and have mechanism to stop the laundering and concealment of dirty money.”

Lagarde also underlined the need for major world powers to play their role in curbing corruption, reminding them that “funds received through corruption are often funds concealed outside the country, often in the financial sectors of major capitals.”
The Guardian newspaper reported on Sunday that the IMF would investigate whether Britain and other rich countries were taking tough action against bribery and money laundering.
The investigation will also focus on Britain’s financial district, the City of London, which has “won the unenviable reputation of being the global centre for money laundering”.

Recent reports in the British media accused several British-registered companies and banks of moving at least £20 billion of corruption money from Russia alone.

In Washington, IMF officials said at a seminar on Sunday that on April 6 the Fund’s Executive Board adopted a new policy framework for fighting corruption, which consists of four elements.

The first element is to assess the nature and severity of governance vulnerabilities, including corruption. “Given its particularly pernicious impact on a member’s ability to achieve sustainable inclusive growth, the assessment will also examine the severity of corruption,” said an IMF policy paper released on Sunday.

The second element will guide the Fund’s assessment of the macro-economic implications of governance vulnerabilities by taking into account the applicable standards for surveillance and the use of Fund resources.

The third element provides a framework for policy advice and capacity development support to members where Fund engagement is warranted.

And, the fourth element focuses on measures designed to prevent private actors from offering bribes or providing services that facilitate concealment of corruption proceeds.

“We know that corruption hurts the poor, hinders economic opportunity and social mobility, undermines trust in institutions and causes social cohesion to unravel,” Lagarde said.

https://www.dawn.com/news/1403358

NEWS COVERAGE PERIOD FROM APRIL 9TH TO APRIL 15TH 2018

ADB TO GIVE PUNJAB $375M FOR IRRIGATION, PUBLIC-PRIVATE DEALS

Dawn,April 14, 2018

Pakistan and the Asian Development Bank (ADB) on Friday signed two loan agreements worth $375 million in an effort to improve irrigation services and promote public-private partnerships (PPPs) in Punjab – the country's most populated province that produces 80% of the agricultural output.

Pakistan and the Asian Development Bank (ADB) on Friday signed two loan agreements worth $375 million in an effort to improve irrigation services and promote public-private partnerships (PPPs) in Punjab – the country's most populated province that produces 80% of the agricultural output.

The loan agreements were inked by ADB Country Director for Pakistan Xiaohong Yang and Economic Affairs Division Secretary Syed Ghazanfar Abbas Jilani.

"The investments will build a new Kharif season irrigation system and further develop PPPs in the province," said Xiaohong after the signing ceremony.

"The irrigation project will become part of the Indus basin irrigation system and help increase agricultural production that will directly benefit farming families in the target area. The PPP project will also strengthen capacity of the provincial government to improve key infrastructure and service delivery in the province."

Under the Jalalpur irrigation project worth $275 million, a surface irrigation system will be developed in Jhelum and Khushab districts of Punjab by drawing water from Jhelum River at Rasul Barrage.

The project will convert over 68,000 hectares of less productive and predominantly rain-fed area into irrigated farmland benefiting 384,000 people.

It took the ADB and the government of Punjab almost six years to plan and make the project effective. The scheme had for the first time been prioritised in the Country Partnership Strategy (2009-13) to improve the irrigation infrastructure.

Agriculture remains a crucial component of Pakistan's economy, contributing 20% of the gross domestic product and employing 42% of the labour force in fiscal year 2015, with Punjab contributing more than 80% of the agricultural output.

The Ministry of Planning, Development and Reform has estimated that the agriculture sector has to grow 5% per year to reduce the poverty incidence and ensure food security, and for the national economy to reach its 7-8% annual growth target.

The irrigation system will include an intake structure at Rasul Barrage, a main canal (117 kilometres), distributaries, minor canals, cross-drainage structures, flood carrier channels and associated structures.

The project will improve water-use capacity of 485 water user associations at each watercourse, who will participate in the planning, design, construction, operation and maintenance of watercourses. It will help train water user association members to better manage agriculture and water.

It will introduce modern technologies and best practices like laser land levelling and high-efficiency irrigation systems.

The project will also strengthen capacity of 6,000 farming families in irrigated agricultural practices, water-use skills, profitable farming system and accessing private agriculture support services.

The ADB and Pakistan also signed an agreement for a $100-million loan to support public-private partnership in Punjab by augmenting the provincial government's viability gap fund to help enhance commercial viability of projects as well as attract and mobilise more private-sector participation in PPPs. The project will also strengthen the development and delivery of PPP projects across various sectors that will further improve the government's ability to review, develop and implement sustainable and fiscally responsible PPP projects, hence, delivering better value for money.
The government of the United Kingdom, through the Department for International Development (DFID), is co-financing the PPP project through a $19.6-million grant and $4-million technical assistance, both of which will be administered by the ADB.

The DFID's grant will also be used to finance a dedicated project development facility to support the engagement of transaction advisers. Total cost of the PPP project is $219.6 million with the Punjab government contributing $100 million.

https://tribune.com.pk/story/1685225/1-adb-give-375m-irrigation-public-private-partnership/

May 2018

NEWS COVERAGE PERIOD FROM MAY 21st TO MAY 27TH 2018

World Bank commits $728mln for climate-resilient development in Pakistan

Our Correspondent
May 27, 2018
KARACHI: The World Bank pledged $728 million in loans to promote climate-resilient development in Pakistan that has incurred $18 billion in losses due to adverse impact of climate change during the past decade.
The financial support was envisaged for four projects related to water, environment and cities, the bank said in a statement late on Friday. International Development Association, the concessional financing arm of the World Bank, is funding all the four projects.

The projects will protect the environment, improve the quality of life in cities and promote sustainable water management through efficient irrigation, robust weather forecasting and improved disaster preparedness.
“The projects offer wide ranging support to address climate vulnerability and variability by strengthening institutions and systems and investing in priority infrastructure in rural and urban areas,” the statement quoted Illango Patchamuthu, World Bank’s country director for Pakistan as saying. “Millions of Pakistanis will benefit from improved irrigation, weather services, and resilience to natural disasters. At the same time, Punjab’s cities will benefit from investments to improve infrastructure and local services while protecting its environment.” Hydro-met and disaster risk management services project with a loan allocation of $188 million will help the country deliver more reliable and timely weather forecasting and disaster risk management services. The project will help increase preparation for and resilience to natural disasters and climate change, as well as improve water management for agriculture.

The second Sindh barrages improvement project will be allocated with $140 million in additional financing to help improve the reliability and safety of the Guddu and Sukkur barrages and strengthen the provincial irrigation department’s ability to operate and manage them. The rehabilitation and modernisation of Sukkur barrage will provide reliable water supply to 14 canals and reduce floods.

The project will also ensure the barrage’s capacity to safely pass floods up to 1.3 million cusecs. The newly-established Barrage Monitoring Unit will supervise the operation.

The third $200 million Punjab green development program will strengthen the province’s environmental management through empowering its departments to provide better environmental services to citizens and the private sector, with a focus on strengthening the capacity of the Environment Protection Department.

The project will help modernise laws and regulations and promote investments in cleaner technologies to reduce air and water pollution.

The fourth project, namely Punjab cities program will get $200 million in financing to strengthen local governments’ ability to deliver basic and green infrastructure. The project will benefit 4.1 million people in 16 urban areas as well as build systems to improve transparency, accountability, and responsiveness of municipal committees and other structures.

The World Bank said Pakistan suffered $18 billion losses between 2005 and 2014 due to the adverse impact of climate change. Alone 2010 floods caused $10.5 billion in economic losses.
The World Bank has provided $33.4 billion in assistance and grants to Pakistan since 1950.

The current World Bank’s portfolio includes 41 projects with a net commitment of seven billion dollars, focusing energy, private sector development, inclusion, and service delivery.

https://www.thenews.com.pk/print/321781-world-bank-commits-728mln-for-climate-resilient-development-in-pakistan

NEWS COVERAGE PERIOD FROM MAY 14TH TO MAY 20TH 2018

World Bank to invest $460m in road from Peshawar to Afghan border

By Shahbaz Rana

Published: May 20, 2018

The lack of productive cross-border trade has severely affected the economy of north-western Pakistan, according to the World Bank. PHOTO: FILE

ISLAMABAD: After marked improvement in the security situation, the World Bank has decided to invest $460 million to build a new road from Peshawar to Afghanistan border aimed at bolstering trade between the two nations and creating job opportunities in war-torn federally administered tribal areas (FATA).

The board of directors of the World Bank is likely to approve the $460-million loan next month for Peshawar-Torkham Expressway Corridor project, according to World Bank documents. The total cost of the project is nearly $483 million and the remaining amount will be arranged by Pakistan from its own resources.

The major component of the loan, $383.6 million, will be given for the construction of the road that will have a total cost of $403 million. Another amount of $72 million will be sanctioned for the development of marble and horticulture sectors in FATA. Pakistan plans to build a new four-lane road from Peshawar to Torkham border, as the existing two-lane road cannot be modernised due to various constraints.

Ownership of homes: World Bank approves $145 million to expand mortgage loans

The World Bank study for the project underlines that improvements in security, infrastructure investments, and renewed regional economic cooperation have given new hope for the revival of cross-border trade and bolstering of economic growth.

It adds that the security situation in north-western Pakistan has improved dramatically over the past few years. In 2015, the reported number of insurgent attacks fell by almost one half; and in 2016, a further drop of 28% in terrorist attacks was reported. The energy shortfall is gradually being addressed by the establishment of micro-hydro power plants, while investments in transportation infrastructure are addressing bottlenecks to connectivity between Peshawar and the rest of Pakistan.

For the last over one year, World Bank’s activities have considerably slowed down after Pakistan’s macroeconomic position started deteriorating. The World Bank has withheld approval of a couple of policy loans after differences emerged over the government’s handling of the external sector.

World Bank ‘moderately’ satisfied with progress on $73m water project

During the first ten months of the fiscal year, the World Bank’s total disbursements to Pakistan remained at only $446 million, indicating that the total disbursements will remain far less than estimated $1 billion by end June. The PML-N government has taken more than $44 billion loans in the last almost five years but majority of these loans went into non-productive sectors, which has created debt sustainability problems.

The World Bank's investment in Peshawar corridor project will help improve the infrastructure in addition to creating new job opportunities in the FATA.

World Bank denies Sharif laundered money
The lack of productive cross-border trade has severely affected the economy of north-western Pakistan, according to the World Bank. It said that the rates of economic growth, unemployment, and poverty in north-western Pakistan have fallen well behind the rest of Pakistan, forming a cycle of insecurity and conflict.

The 50-kilometre long Peshawar-Torkham project is part of the 281-kilometre long Peshawar-Kabul expressway. This Peshawar-Kabul expressway has been termed as the Gateway to Central Asia. The Peshawar-Torkham motorway will start from the Peshawar ring road near Hayatabad town, which is about 12 kilometres away from Peshawar city and ends at Torkham.

The existing Peshawar-Torkham road is part of the National Highway N-5 that traverses the historic Khyber Pass, which has great historical significance and has been an important trade route between Central and South Asia. The World Bank noted that the improvements to the existing highway are constrained by heavy population settlements on either side, a railway line running adjacent to the road, and steep gradients and sharp curves that are difficult for large multi-axle commercial trucks to negotiate.

The inefficiencies stemming from mostly dilapidated transportation network are estimated by the government to cause a loss of roughly 3.5% of the country's annual gross domestic product.

The second component of the $460-million project is aimed at improving productivity of existing enterprises established in FATA and encouraging private investments in the area. For the development of the Khyber Pass Economic Corridor the World Bank will approve $72 million out of total estimated cost of $75 million.

Two target sectors are marble production, a sector in which FATA has 446 processing units, which accounts for 20% of Pakistan's production, and horticulture. Both sectors have great potential for export.

The World Bank said that marble exports are currently limited, as the mineral can fetch prices around five to ten times higher in international markets than in local markets. Fruits and vegetables, which may be further processed, already comprise a substantial share of export volume through Torkham.
Published in The Express Tribune, May 20th, 2018.

https://tribune.com.pk/story/1714445/2-world-bank-invest-460m-road-peshawar-afghan-border/

NEWS COVERAGE PERIOD FROM MAY 7TH TO MAY 13TH 2018
ADB STEPS IN TO RESCUE PESHAWAR BUS PROJECT
Dawn, May 7th, 2018

PESHAWAR: Concerned over the exit of senior management of TransPeshawar Bus Rapid Transit, the Asian Development Bank is stepping in to save the project from further impediments, according to sources.

Dawn has leant on good authority that the ADB, which has loaned $350 million for the BRT, is concerned about firing by Chief Minister Pervez Khattak of Chief Executive Officer Altaf Khan Durrani and the subsequent resignations of the chairman of its board of directors, chief financial officer and general manager (operations) and is already in contact with officers to salvage the situation.

It was also learnt that the ADB country manager would also be speaking with CM Khattak about the situation. Efforts are being made to speak to the BRT executives and persuade them to return to the job.

It has been learnt that the CEO, who was shown the door by Mr Khattak for speaking his mind on the timelines, may seek legal recourse.

“There is utter lack of understanding of the BRT system at the political level,” a source familiar with the situation told Dawn.

“TransPeshawar has nothing to do with the timelines,” the source said, requesting he not be named. Right from the signing of the agreement to the delivery of the busses and the Intelligent Transport System, all the timelines were in accordance with international protocols and standards, the source said.
“Without infrastructure, depots, fuel and charging stations, the busses cannot be run. Also, this is a wholly new technology to be used for the first time in Pakistan. It has to be tested by consultants appointed by the ADB before order could be placed with the vendor to start assembling the busses,” he said.

The source said that busses would be ready for delivery in July and there was nothing TransPeshawar could do anything about it. “Had the KP CM asked the ADB about the timelines, he would have received all the answers,” he said.

The source said that all the former CEO did was to speak the truth to the chief minister and tell him pointblank that the timelines he was suggesting were unrealistic and couldn’t be met.

Also, on the Pink Busses, the source said, the KP government did not create a framework to run those, either in Mardan or Abbottabad or for that matter Peshawar.

“There has to be cost assessment and a project has to be directly assigned to TransPeshawar. There was no legal framework. It was totally illegal,” the source said. “Even as these busses have been given to us free of cost, there is no framework for this.”

He said that instead of giving false timelines and shifting and delaying the launching date, knowing that those timelines were difficult to meet, given the amount of civil work pending, the chief minister needed to change his political narrative. “Rushing the project and using intimidatory tactics would compromise the quality and create more problems,” he added.

The provincial government has assigned additional charge of chairman board of director of TransPeshawar to Additional Chief Secretary Dr Shahzad Bangash here on Sunday.

Meanwhile, Khyber Pakhtunkhwa transport and mass transit department has admitted that Pink Buses meant for Abbottabad and Mardan would be run in Peshawar as “stop-gap arrangement” to facilitate commuters in the provincial capital due to delay in the arrival of fleet of vehicles for the under construction Bus Rapid Transit.

In a clarification about Dawn’s story “Bus project’s launch in limbo as managers of its company quit” appeared on Saturday, the department said that later on arrival of BRT Buses, those Pink Buses would be operated in Mardan and Abbottabad.

The statement said that those buses (Pink) would be operated by the TransPeshawar as approved and decided by the provincial cabinet and Khyber Pakhtunkhwa Urban Mobility Authority (KPUMA) board in its meetings held on April 11 and April 16 respectively.

It said that UNOPS had informed that the donor (Japanese government) had no issue for the arrangement “stop-gap” considering the better projection of their granted project and the provincial government may in writing intimate the same to UNOPS.

It further said that UNOPS had also confirmed that ambassador of Japan could be available for handing taking over ceremony of Women Bus Project at the Chief Minister’s Secretariat on May 11.

Separately, the department concerned while responding to the letter of terminated CEO of TransPeshawar said that he was ineffectual in timely managing the routine affairs of company such as procurement of bus fleet, Intelligent Transport System, Vehicle Operating Companies and Bus Industry Restructuring Programme.

The department in its rejoinder said that Altaf Durrani (the expelled CEO) had committed to the provincial government at various senior level forums and progress review meetings that TransPeshawar would complete all the procurement process well in time. However, award of procurement of BRT fleet tender could only be made by mid-February 2018 after lapse of two months.

Moreover, procurement of ITS package, selection of VOCs and implementation of BIRP were still under process and could not be completed as per his committed timelines.

The undue delay in ITS procurement process was evident from the fact that faulty documentation was submitted to the Asian Development Bank that could not be cleared till date due to lack of appropriate response to the issues highlighted by ADB in the procurement documents.

Similarly, procurement of VOC, which was an internal process, however, could not be completed till date, due to lack of seriousness by TransPeshawar staff.

The sequential, circumstantial and evidence based trail of information retrieved from various meetings with the chief minister between October 2017 and April 2018 depict that CEO had badly failed in keeping up to the expectations of the provincial government.

https://www.dawn.com/news/1406060

NEWS COVERAGE PERIOD FROM APRIL 30TH TO MAY 6TH 2018
IMF SEES MOUNTING RISKS, SHARP DROP IN GROWTH FOR PAKISTAN NEXT YEAR
Dawn, May 3rd, 2018

WASHINGTON: The International Monetary Fund projected on Wednesday that Pakistan's growth will moderate to 4.7 per cent in fiscal year 2019 from 5.6pc in 2018.

In its regional economic outlook update for the Middle East, North Africa, Afghanistan and Pakistan (MENAP) region on Wednesday, the IMF notes that "an increase in macroeconomic vulnerabilities and domestic policy slippages have weakened Pakistan's economic outlook, with growth now projected to moderate to 4.7pc in FY19".

In January, the IMF said it expected growth in Pakistan to pick up in 2018-19. The government has targeted 6.2pc growth for next year in its latest budget.

The report credits improved energy supply, investment related to the China-Pakistan Economic Corridor, and strong credit growth for the raise in Pakistan's growth to an estimated 5.6pc in the outgoing FY18, from 5.3pc last year.

The report, however, places Pakistan among the countries where "delays in implementation or completion of structural reforms and political and policy uncertainty" continue to weigh on growth. Besides Pakistan, Jordan, Morocco, Tunisia and Lebanon are also placed in this category.

Pakistan is also placed among the countries where upcoming elections and a more challenging political environment could slow the reform process.

"A high perception of corruption and lack of transparency in some of these countries could not only affect macroeconomic outcomes directly, reducing investment and productivity, but could also heighten social tensions and hinder reform," the IMF warns.

The report notes that some countries in the MENAP region are slowly taking steps to improve governance and transparency while additional efforts are also being made to bolster the business environment, with Pakistan recently strengthening its bankruptcy framework.

After three years of decline, exports of MENAP oil-importing countries grew by 6.4pc in 2017 and are projected to accelerate by 8.4pc in 2018 and 8.6pc in 2019.

In Pakistan, Egypt and Tunisia, this was largely due to improved external demand and greater exchange rate flexibility while Pakistan also benefited from a pickup in cotton prices.

Import growth in MENAP nations is projected to slow to 4.8pc in 2018 from 6.8pc in 2017 and remains broadly steady around 5.5pc over the medium term.

In Pakistan, Djibouti and Mauritania, this import compression "partly reflects an anticipated slowdown in capital imports for infrastructure projects".

The IMF notes that public debt levels in non-oil producing MENAP countries remain elevated, exceeding 80pc of GDP in several nations.

"Such large debt stocks represent a significant burden on the economy. Debt service crowds out growth-enhancing expenditures," the report adds with a warning that large debt stocks also add to external vulnerabilities given the large share of external debt.

"This burden will increase since financing costs are likely to rise in line with the expected tightening of monetary policy in advanced economies," says the IMF, while urging borrowing nations to focus on efforts to reduce debt.

The IMF, however, points out that inflation pressure in the region has abated, with inflation broadly stable at about 12pc. In Pakistan and Morocco, decline in food prices helped bring the inflation down while in some countries monetary tightening also helped.

A review of the banking sector in MENAP countries shows that non-performing loans remain high but are declining. In most MENAP nations, banking sectors have generally remained stable, liquid, and adequately capitalised.

Pakistan, Egypt, Lebanon and Jordan are among the countries that are beginning to embrace financial technology to increase financial inclusion.

For enhancing resilience, Pakistan and Egypt are advised to enhance deposit insurance arrangements.

The IMF notes that tighter and more volatile global financial conditions could increase borrowing costs further for MENAP oil importers, adding to existing fiscal sustainability concerns, weighing on bank balance sheets, and undermining private sector activity. A 200-basis point increase in interest rates relative to the baseline would raise financing costs for Lebanon, Egypt, and Pakistan by 0.9, 0.8, and 0.7 percentage point of GDP, respectively.

"Tightening of global financial conditions could precipitate capital outflows from the region that would put pressure on external positions and exchange rates," the report warns.

Over all, growth in the MENAP region is estimated to have reached 4.2pc in 2017 and is projected to increase further to 4.7pc this year and to 5pc on average during 2019–23. Some countries may experience faster growth.

Further strengthening of the outlook for the euro area will continue to support economic activity in MENAP through exports, remittances, foreign direct investment, and tourism.

https://www.dawn.com/news/1405303

June 2018

NEWS COVERAGE PERIOD FROM JUN 18th TO JUN 24th 2018

ADB cancels $20m loan for privatisation

Amin Ahmed Updated June 21, 2018

ISLAMABAD: The Asian Development Bank (ADB) has cancelled a approved loan of $20 million to Pakistan for a project aimed at strengthening the government's capacity to privatise and restructure its designated public sector enterprises (PSEs) and strengthening the privatisation progrgamme.

ADB announced on Wednesday that the privatisation programme has been slowed down even further and remain largely on hold to date, therefore funds from the loan were no longer needed by the government.

The main purpose of the loan funds was to finance some of the government's privatisation actions. The government resumed its public sector enterprise divestment programme in 2013 and initiated a number of privatisation related transactions including banks, a petroleum company and a strategic sale of a construction company.

While the government was successful in some cases, it needed to revise its strategy for some of the larger transactions, owing to market conditions such as progress of negotiations with labour unions and financial conditions of public sector enterprises.

This led to revised timelines and mode of transactions for some of the large transactions, including Pakistan International Airlines (PIA), Pakistan Steel Mills (PSM) and power distribution companies, and resulted in a much-reduced scope of privatisation actions for the government.

Moreover, after the loan was signed in 2015, large grant funds from other development partners also became available, and the use of grant funds was prioritised by the government for privatisation actions like advisory services.

The project scope was to strengthen the government's capacity to privatise and restructure its designated public sector enterprises by strengthening the privatisation programme, improving corporate governance, structure and management of selected public sector enterprises, enhancing governance and regulatory regimes in selected sectors currently dominated by PSEs, and project management support including planning, procurement, project implementation and financial management.

Based on this scope and outputs, the project impact was set as reduced fiscal and economic costs associated with PSEs. The outcome was successful privatisation and restructuring of selected PSEs while the project was expected to be completed by December 2019 with the loan closing date of June 2020.

A component of the loan was also allocated for energy sector reform monitoring, as ADB supported the government's reform activities through sustainable energy sector reform programme from 2013 to 2017.

However, monitoring was conducted by the government's own resources from the ministries finance, water and power, and petroleum and natural resources. Prior to the cancellation request, the government prepared energy sector reform monitoring reports to summarise the reform actions and progress up to May 2017.

With this background on privatisation and reform monitoring, funds from the loan were no longer required, and the government requested the cancellation of the entire amount of the loan in its letter of July last year.

Published in Dawn, June 21st, 2018

https://www.dawn.com/news/1415093

NEWS COVERAGE PERIOD FROM JUN 11th TO JUN 17th 2018
World Bank to help build modern water, power infrastructure

Khaleeq Kiani June 14, 2018

ISLAMABAD: The World Bank has agreed to provide $565 million to Pakistan to help build modern water and power infrastructure and remove supply bottlenecks on an urgent basis at a total cost of $688m.

The loan agreements were signed on behalf of the government of Pakistan by Secretary Economic Affairs Division Syed Ghazanfar Abbas Jilani while representatives of the government of Sindh and National Transmission Despatch Company (NTDC) signed the agreements of their respective projects and Patchamuthu Illangovan, Country Director, on behalf of the World Bank.

Under the agreements, the World Bank will provide $565m, including $425m for the NTDC and $140m for the Sindh government.

NTDC to receive $425m loan and the Sindh government $140m

The first loan of $425m for the National Transmission Modernisation (Phase-I) Project is designed to increase the capacity and reliability of selected segments of the national transmission system in the country and modernize key business processes of the NTDC.

The project will support investments in high-priority transmission infrastructure, information and communication technology (ICT), and technical assistance (TA) for improved management and operations.

Infrastructure investments will create new assets or rehabilitate existing parts of the system transmission substations, transmission lines, or a combination of the two. The project will establish a robust ICT infrastructure and roll out an Enterprise Resource Planning (ERP) system to enhance the efficiency of management and operations.

The TA will help the NTDC implement the project and will improve the company's capacity for sustainable system operation.

The total cost of the project is $536.33m. The World Bank will provide $425m and $111.33m will be borne by the NTDC.

The $140m Sindh Barrages Improvement Project is aimed at improving the reliability and safety of Guddu Barrage and strengthening the Sindh Irrigation Department's capacity to operate and manage the barrage.

The financing will help to scale up activities under the original project (Sindh Barrages Improvement Project) whose scope at present is limited to rehabilitating and modernising Guddu Barrage.

With this funding, the project will support the rehabilitation and modernisation of Sukkur Barrage and also support improving the operation and maintenance (O&M) of Guddu, Sukkur and Kotri Barrages over the Indus River through better coordination and monitoring.

The total estimated amount of the project is $152.2m. The World Bank will provide $140m and incremental counterpart funds of $12.2m would be borne by the government of Sindh.

Published in Dawn, June 14th, 2018

https://www.dawn.com/news/1414038/world-bank-to-help-build-modern-water-power-infrastructure

WB to give $500m for solar energy, regional connectivity

The Newspaper's Staff Reporter Updated June 16, 2018

ISLAMABAD: The World Bank is committing over half a billion dollars through two projects to support renewable energy in Sindh and expand economic activity between Pakistan and Afghanistan through the development of an economic corridor along the Khyber Pass.

"The projects will address Sindh's energy needs through the generation of solar power benefitting the entire province and support trade between Pakistan and Afghanistan through regional connectivity and private sector development along the Khyber Pass corridor," said World Bank Country Director for Pakistan, Illango Patchamuthu.

"The construction of a 48 km four-lane expressway linking Pakistan and its regional trading partners and upgrading the country's' infrastructure is an important component of Pakistan's growth policy."

The $100 million Sindh Solar Energy Project will reduce Pakistan's carbon footprint through the development of solar energy.

It will support independent power producers to develop 400 MW of new solar power capacity (starting with an initial 50 MW pilot project) and provide partial grants to private sector firms for the commercial provision of Solar Home Systems to 200,000 households.

The project will also help gain knowledge and experience in developing solar photovoltaic (PV) schemes on/around public buildings.
The $460.6m Khyber Pass Economic Corridor Project will benefit consumers, producers, and traders in Pakistan and across the border in Afghanistan and the Central Asian Republics through reduction in transport time and cost and private sector investment. Better infrastructure and more efficient border crossing will help Afghan medical patients and students coming to Pakistan.

Published in Dawn, June 16th, 2018

https://www.dawn.com/news/1414415/wb-to-give-500m-for-solar-energy-regional-connectivity

Capital Market, Fixed Income: USAID trains 70 officials of KP finance department

RECORDER REPORT | JUN 16TH, 2018 | PESHAWAR

USAID's Financial Market Development Activity, along with the Government of Khyber Pakhtunkhwa's Financial Commission (FC), celebrated the completion of a three-day course on 'Capital Market and Fixed Income Investment' for senior officials of the KP finance department.

The training builds capacities of financial market professionals to understand emerging trends and increase their skills in the areas of marketing, trade and the investment of fixed income products (such as bonds) and focuses on the ability of practitioners to assess the risks related to credit products and the techniques for managing such risks, said a press statement issued here.

Shakeel Qadir Khan, Secretary Finance expressed his appreciation of USAID, the trainers, and debt capital market experts, "This workshop is important to us as it is creating critical knowledge base and skill set among public sector employees on the subject matter."

Additional Secretary Finance Safeer Ahmad noted, “The formation of KP Debt Management Unit is in the offing, and this training has sensitized us on all those essential matters, which are to be taken care of by the managers of the unit.”
Overall 100 delegates from the KP Finance Department were present at the ceremony, 70 training participants including six females, received certificates. The course was the third and final in a series of courses taught by Capital and debt market experts as part of the USAID Activity, which has conducted 45 certification training sessions across Pakistan for 3,500 industry professionals and senior finance students, in the last two years.

Participants felt the training was useful in developing their analytical skills. “It will build upon the skills I have developed during my service in the finance department. It will not only help me in identifying the gaps and issues but also enable us to develop a solution oriented approach toward complex financial situations,” said Reena Shaheed Soherwordi, Section Officer Reforms from the Finance Department.

USAID’s Financial Market Development Activity is a multi-year project to assist and promote the development of competitive and diversified debt capital markets in Pakistan.

https://fp.brecorder.com/2018/06/20180616382484/

Khyber Pass: World Bank to help Pakistan develop corridor with Afghanistan

By Our Correspondent

Published: June 16, 2018

ISLAMABAD: The World Bank is committing over half a billion dollars through two projects to support renewable energy in Sindh and expand economic activity between Pakistan and Afghanistan through the development of an economic corridor along the Khyber Pass.

“The projects will address Sindh’s energy needs through the generation of solar power, benefitting the entire province and support trade between Pakistan and Afghanistan through regional connectivity and private-sector development along the Khyber Pass corridor,” said World Bank Country Director for Pakistan Illango Patchamuthu.

Govt for completing OLMT civil works by August

“The construction of a 48km four-lane expressway linking Pakistan and its regional trading partners and upgrading the country’s infrastructure is an important component of Pakistan’s growth policy,” he said.

The $100-million Sindh Solar Energy Project will reduce Pakistan’s carbon footprint through the development of solar energy.

It will support independent power producers in developing 400 megawatts of new solar power capacity, starting with an initial 50MW pilot project, and provide partial grants to private-sector firms for commercial provision of solar home systems to 200,000 households.

The project will also help gain knowledge and experience in developing solar photovoltaic (PV) schemes on and around public buildings.

The $460.6-million Khyber Pass Economic Corridor Project will benefit consumers, producers and traders in Pakistan and across the border in Afghanistan and the Central Asian Republics through reduction in transport time and cost and private-sector investment.

Better infrastructure and more efficient border crossing will help Afghan medical patients and students coming to Pakistan.

The project will alleviate key constraints to the integration of private sector in Khyber Agency into global value chains. This complements activities by other development partners to increase access to socio-economic and job opportunities across the corridor.

After PML-N era: Circular debt comes down from Rs573b to Rs499b
The International Development Association, a concessionary financing arm of the World Bank, is funding both projects.

Since 1950, the World Bank has provided $33.4 billion in assistance to Pakistan. The World Bank's programme has four priority areas which include energy, private-sector development, inclusion and service delivery.

Current World Bank portfolio includes 45 projects with a net commitment of $8.24 billion.

Published in The Express Tribune, June 16th, 2018.

https://tribune.com.pk/story/1736066/2-khyber-pass-world-bank-help-pakistan-develop-corridor-afghanistan/

NEWS COVERAGE PERIOD FROM MAY 28th TO JUN 3rd 2018
No World Bank funding forthcoming for Sindh public schools: secretary

By Safdar Rizvi

Published: May 29, 2018

KARACHI: World Bank funding to revamp quality and infrastructural standards at public schools across Sindh is set to cease with the 'below par' execution of the Sindh Education Sector Reform Project II.

Declaring the pace of work on the initiative unsatisfactory, the international financial institution said it was unlikely that the project would be completed on time. A January report on the project by the World Bank said progress on two fronts, teacher recruitment and disbursement-linked indicators, was poor.

Just as appointment of teachers had been dogged by delays, it took the government inordinate time to nominate quality schools. The document went on to add that the project was unlikely to be completed by its original December, 2018 deadline if progress was not hastened.

In an earlier June, 2017 report, the World Bank noted poor increase in enrolment across Sindh's public schools. The document also mentioned how satisfactory progress had not been registered in enrolment despite the introduction of teacher recruitment, attendance monitoring, school consolidation and examination reforms.

'Stop tinkering with education in Sindh'

The dismal results of the four-year programme are being highlighted as it enters its final year. The World Bank, on the other hand, is yet to approve funding for other projects. The international financial institution has expressed no interest in financing any new projects, sources said.

The initiative, originally green-lighted in March, 2013, started nearly a year later in 2014. Slated to end in June, 2017, the programme's completion deadline was later revised to December, 2018.

A cursory examination of figures available with The Express Tribune reveals that a mere 2% increase in school enrolment has been registered over the initiative's penultimate and final year.

The number of children enrolled across province-wide public schools stood at 4,145,219 in 2015-16. The figure rose to 4,229,128 over 2016-17.

Despite billions of dollars in aid and government protestations to the contrary, experts say the school education department has failed miserably in revamping standards across public schools.

Sindh education reform

Of the province's 42,383 public schools, only 57% have access to potable water, 55% lack power and a little over 60% feature toilets and boundary walls. Negligible improvement has been recorded on these accounts over the programme's concluding years.

A 7% increase has been recorded in schools with access to drinking water. An 8% rise has been registered in schools electrified. Washrooms and roofs have been added to 8% and 2% schools respectively.

The student to teacher ratio stands at 28:1. A classroom is available per 39 students. The student to school ratio stands at 100:1. Poor enrolment explains the low ratios, experts opine.

Latest standardised achievement test results, last released in 2017, are also representative of poor quality of education imparted across public schools. A dismal 26.1% boys and 27.5% girls of 180,453 grade five students cleared the tests across English, mathematics and science. Class eight students performed slightly better with 28.9% boys and 32.4% clearing all three subjects, according to the Reform Support Unit statistics.

Whither education ‘emergency’ in Sindh?

School Education Department Secretary Iqbal Durrani confirmed the development. He told The Express Tribune that no World Bank funding was forthcoming for any initiative following the conclusion of the Sindh Education Sector Reform Project II.

Durrani, however, claimed that all project targets had been realised. The secretary said the World Bank would be approached for funds on this very basis.

https://tribune.com.pk/story/1721136/1-poor-progress-world-bank-declines-funding-public-schools-says-sindh-education-secretary/

July 2018

NEWS COVERAGE PERIOD FROM JULY 23RD TO JULY 29TH 2018

Pakistan receives less than projected loans from World Bank

By Shahbaz Rana

Published: July 26, 2018
ISLAMABAD: Pakistan has failed to take advantage of a concessionary financing window of the World Bank and received slightly over half of its projected cheaper loans of $1 billion in the last fiscal year. The development comes as progress on majority of social sector projects remained sluggish.

The International Development Association (IDA) – the World Bank’s concessionary loans arm – disbursed $520.6 million to Pakistan in fiscal year 2017-18, according to data compiled by the Economic Affairs Division. The amount was about 54% of the authorities’ estimate of $968 million. IDA loans are given to poor-income countries for a longer period at nominal interest rates of around 1.25%.

In comparison, disbursements by the International Bank for Reconstruction and Development (IBRD) stood at $249 million against the budgeted estimate of $68 million. The IBRD, another concessionary loan arm of the World Bank, extends its loans on commercial terms to the middle-income countries, at six-month floating London Interbank Offered Rate (Libor). Pakistan receives a combination of IDA and IBRD loans every year.

World Bank approves $728m for four environment projects

Developing countries vie to avail their concessionary loan quotas due to low interest rates and repayments spanning over a period of at least 38 years. There are also some non-concessional IDA loans doled out to the projects entailing high rate of returns.

However, instead of availing cheap financing, Pakistani authorities focused on receiving loans from foreign commercial banks to finance its current account deficit. Against the budgeted estimates of $1.5 billion, Pakistan received loans worth $3.7 billion from foreign commercial banks for a maximum period of three years, at interest rate of Libor plus 3%.
For fiscal year 2017-18, Pakistan had estimated that the international lending institution would disburse $1.03 billion loans, which includes concessionary loans of $968 million and commercial loans of $68 million. However, actual disbursements remained at three-fourths of the estimates, despite some projects receiving significantly higher than the projected financing.

Payment of commitment charges on an undisbursed, but approved loan amount has remained a big issue for Pakistan. The projects in all sectors have been facing delays due to administrative bottlenecks and delay in award of contracts. Lenders also take more than the required time in scrutiny and finalisation of contractual documents.

Majority of the World Bank-funded projects are in Punjab and Sindh and some are administered by the federal government. Out of $249-million IBRD disbursement, Punjab received $141 million against four projects. The Washington-based lender disbursed $62.4 million for Punjab education sector reforms project, $20 million for Punjab jobs and competitiveness project, $14.8 million for Punjab irrigation project and $43.7 million for Punjab agriculture transformation project.

The lender also disbursed $132.2 million for Tarbela's 4th extension scheme.

However, majority of the social sector schemes that are largely funded from the IDA received small amounts in the last fiscal year. Over 40% of the IDA funding or $213 million went to only three projects. Pakistan financial inclusion and infrastructure project received $75.2 million, the public finance management and support project $80 million and housing finance project $58 million. These projects are administered by the finance ministry.

The rest of the funding was given to over two-dozen schemes, which suggested that these projects were not showing significant progress. Some of these projects have already been declared problematic, like the water sector capacity building project.

World Bank asks Pakistan to accept Indian proposal

The tertiary education support project received a paltry sum of $1.8 million, Sindh skills development project received $1.63 million, Punjab health sector reforms project ($15.4 million), Punjab public management project ($8 million), the nutrition scheme ($13.8 million), Punjab skills development scheme ($6.2 million) and national immunisation support project ($4.7 million).

The water sector capacity building project received less than $1 million financing.

On the other hand, Sindh agriculture growth project received only $16.3 million, Sindh irrigation production scheme received $23 million funding and Sindh barrages improvement project received $12.4 million. Whereas, Balochistan integrated water sector management project received $2.8 million loan in the last fiscal year.

Published in The Express Tribune, July 26th, 2018.

https://tribune.com.pk/story/1766471/2-pakistan-receives-less-projected-loans-world-bank/

ADB evolves new strategy to cope with extreme poverty
Khaleeq Kiani July 27, 2018

ISLAMABAD: The Asian Development Bank (ADB) has unveiled a new long-term corporate Strategy 2030 that sets out the institution's broad vision and strategic response to the evolving needs of Asia and the Pacific.

"Under the strategy, we will combine finance, knowledge, and partnerships to sustain our efforts to eradicate extreme poverty and expand our vision towards a prosperous, inclusive, resilient, and sustainable region," said ADB President Takehiko Nakao in a statement.

He said the region had made great progress over the last half century in poverty reduction and economic growth, but there are unfinished development agendas. The statement was issued after the Manila-based agency's board of directors approved the new strategy.
ADB's aspirations are aligned with major global commitments such as the sustainable development goals (SDGs), the financing for development agenda, the Paris Agreement on climate change, and the Sendai framework for disaster risk reduction. Given the size of Asia and the Pacific, achieving such commitments will depend critically on the region's success.

It recognises that the ambitious global development agenda must be tailored to specific local circumstances. The ADB will strengthen its country-focused approach, promote the use of innovative technologies, and deliver integrated interventions that combine expertise across a range of sectors and themes and through a mix of public and private sector operations.

The lender will continue to prioritise support for the region's poorest and most vulnerable countries. It will apply differentiated approaches to meet the diverse needs of various groups of countries: fragile and conflict-affected situations, small island developing states, low-income and lower middle-income countries, and upper middle-income countries.

Across these country groups, the bank will also prioritise support for lagging areas and pockets of poverty and fragility.

Infrastructure investments—particularly those that are green, sustainable, inclusive, and resilient—will remain a key priority. At the same time, ADB will expand operations in social sectors, such as education, health, and social protection.

ADB's support will focus on seven operational priorities, including addressing remaining poverty and reducing inequalities, accelerating progress in gender equality, tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability and making cities more livable. It will also focus on promoting rural development and food security, strengthening governance and institutional capacity and fostering regional cooperation and integration.

At least 75pc of the number of ADB's committed operations (on a 3-year rolling average, including sovereign and non-sovereign operations) will promote gender equality by 2030. ADB will ensure that 75pc of the number of its committed operations (on a 3-year rolling average, including sovereign and non-sovereign operations) will be supporting climate change mitigation and adaptation by 2030.

Climate finance from ADB's own resources will reach $80 billion for the period 2019 to 2030. A new corporate results framework— expected to be ready in mid-2019—will include more targets for ADB's other operational priorities.

For supporting the seven operational priorities under Strategy 2030, the bank will expand and diversify its private sector operations to reach one third of ADB operations in number by 2024. "We will expand our private sector operations in new and frontier markets, such as fragile and conflict-affected situations and small island developing states. We will also support more public-private partnerships," said Mr Nakao.

ADB's private sector operations will help improve environmental, social, and governance standards; provide financing that is not available from the market at reasonable terms; improve project design and development outcomes; and mitigate perceived risks. In addition to innovative infrastructure, they will increase support for agribusiness, and support social sectors such as health and education through private ventures.

ADB will continue to be a reliable financier and catalyser of finance. "A key measure of our success will be the volume and quality of additional resources we mobilise on top of our own financing," Mr Nakao added.

ADB targets a substantial increase in long-term co-financing by 2030, with every $1 in financing for its private sector operations matched by $2.50 in long-term co-financing.

The institution will also work closely with its developing member countries to produce the most relevant knowledge products and services. It will proactively engage in research, provide high-quality policy advice, strengthen countries' institutional capacity, and expand knowledge partnerships.

As it strives to be stronger, better, and faster, ADB will pursue a dramatic modernisation of its business processes by taking advantage of available technology. It will expand its products and instruments, strengthen human resources, and accelerate its digital transformation.

Established in 1966, the ADB is owned by 67 members—48 from the region. In 2017, ADB operations totalled $32.2bn, including $11.9bn in co-financing.
Published in Dawn, July 27th, 2018

https://www.dawn.com/news/1423172/adb-evolves-new-strategy-to-cope-with-extreme-poverty

NEWS COVERAGE PERIOD FROM JULY 16TH TO JULY 22ND 2018
HEC to get $200m from World Bank for developing tertiary education
Amin Ahmed Updated July 16, 2018

ISLAMABAD: World Bank is likely to approve a financing of $200 million to assist the Higher Education Commission (HEC) to develop the tertiary education sector in the country.

In line with the Planning Commission's Vision 2025, HEC has outlined its own vision to develop the tertiary education sector which lists the problems, analyzes international trends and takes lessons from earlier reforms.

The 'HEC Vision 2025' presents an opportunity for the World Bank to partner with the government on its plan to achieve a substantive transformation of its tertiary education sector. A World Bank mission will appraise the project early next year, and it is expected that the executive board will approve the financing of $200 million for the project, which will cost $1,180 million.

HEC has outlined eight key strategic priorities to develop its tertiary education sector. One of the key priorities is to increase the number of highly qualified faculty in higher education institutions which will be achieved by preparing 10,000 PhD faculty for higher education institutions in the next 10 years through a US-Pakistan Knowledge Corridor Programme and establish PhD programmes in Pakistan.

HEC plans to phase out all one and two year bachelor level programmes and replace them with the standard four-year programme, introducing field work and internships, establishing low cost split-degree graduate programmes and refining the current system of curriculum development and review.

Since its establishment in 2002, HEC has introduced initiatives to improve quality and instil a culture of research. Despite this, much remains to be accomplished, according to a World Bank report.

It has planned to increase equitable access to tertiary education for those between the ages of 17 and 23 by increasing capacity in existing universities, establishing new institutions and via distance learning.

HEC plans to specifically improve the quality of affiliated colleges since they are the weakest link in the tertiary education sector.

To build excellence in leadership the HEC plans to focus on improving the effectiveness and efficiency of governance systems and produce visionary leaders for higher education institutions.

HEC plans to increase collaborative research between universities and industries, increase investments in ICT services.

HEC vision focuses on using the information technology to full potential to increase productivity, efficiency, research output and cost effectiveness of higher education.

The World Bank programme will provide technical assistance to HEC in the provision of services to universities and colleges.

Published in Dawn, July 16th, 2018

https://www.dawn.com/news/1420285/hec-to-get-200m-from-world-bank-for-developing-tertiary-education

November 2018

NEWS COVERAGE PERIOD FROM NOVEMBER 12TH TO NOVEMBER 18TH 2018

ADB TO FINANCE INFRASTRUCTURE REVAMP WORTH $300M IN FOUR PUNJAB CITIES

By Our Correspondent

Published: November 13, 2018

LAHORE : The Asian Development Bank (ADB) will put up $300 million to upgrade infrastructure and present civic facilities in four cities of Punjab province. The provincial government would contribute $50 million for the same programme.

Senior Punjab Minister Abdul Aleem Khan has directed the Local Government and Community Development Department to ensure the transparent use of funds and observe all rules and regulations in this regard.

Under this programme, the cities of Sargodha, Muzafar Garh, Rahim Yar Khan and Bahawalpur would benefit and this is the second phase of the Punjab Intermediate Cities Improvement Investment Programme. In the first phase, civic facilities in Sialkot and Sahiwal cities were upgraded.

Aleem said that in the past government, such funds were plundered with bogus companies. However, now the government would ensure that each and every penny is being utilised meticulously. He said sustainable steps should be taken for the uplift of civic facilities and it should also be ensured that there is no wastage. The senior minister said international donor agencies are relying on the present leadership of Pakistan.

Punjab Cities Improvement Investment Programme includes the provision of water supply, sewerage facilities, solid waste management and other civic amenities. A workshop also took place under the same program. It was addressed by Urban Development Specialist Gordon Smith, Project Manager Cities Development Initiative Asia Brian Capati, Project Director Romain Vivant, Team Leader Urban Resilience Specialist Asim Manji, Deputy Team Leader and Urban Development Specialist Nadeem Khurseed, Project Coordinator Mujeeb ur Rehman Khan and Capacity Development Specialist Dina Khan. They highlighted the aims and objectives of the programme in the four cities of Punjab.

Program Director Qaiser Saleem lauded the efforts of the Asian Development Bank for the improvement of infrastructure. He said steps had already been taken in Sargodha and other cities of South Punjab under the Punjab Intermediate Cities Improvement Investment Programme. He added more workshops would be held on November 15 and 16 in Bahawalpur.

According to ADB's Technical Assistance (TA) Completion Report for a similar project completed on December 31, 2011, the TA was aimed to prepare the Punjab Cities Improvement Investment Programme which was proposed to help the provincial government develop intermediate cities with a clear vision and with integrated, efficient, and sustainable systems and services.

It was supporting Punjab government's long-term investment program underpinning Punjab's urban strategy for intermediate cities, which was estimated at $2.35 billion (2010-2030), whereas a medium-term slice of this program (for 2010-2018) was estimated at $1.08 billion. The investment program was considered as the foundation for ADB's long-term urban sector engagement in Punjab's intermediate urban centres.

The investment program was to support intermediate cities ' development by increasing access to the portable and continuous water supply as well as improved sanitation and improving urban transport. to enhance the quality of life and to yield environmental and public health benefits, thereby making them more competitive for investments.

The TA was originally planned over an 18-month period and divided into two overlapping phases. The first focusing on the design of a multi-tranche financing facility (MFF) and the second on capacity building and awareness for the MFF implementation.

The program envisaged physical and non-physical investments of about $500 million to be disbursed in 4-5 tranches. The proposed first tranche of the MFF would target Sialkot as it was the best developed of Punjab's intermediate cities.

https://tribune.com.pk/story/1846578/1-adb-finance-infrastructure-revamp-worth-300m-four-punjab-cities/

December 2018

NEWS COVERAGE PERIOD FROM NOVEMBER 10TH TO DECEMBER 16TH 2018

WORLD BANK CANCELS $250M EMERGENCY RELIEF LOAN

By Shahbaz Rana

Published: December 11, 2018

ISLAMABAD: The World Bank has cancelled a $250-million emergency relief loan for Pakistan after both sides could not converge on a new macroeconomic framework due to deteriorating external-sector condition of Pakistan.

The loan was aimed at strengthening the regulatory and institutional framework to cope with climate change and disaster risk in Pakistan and increase financial capacity to respond to natural disasters.

Loan negotiations have been cancelled, according to government officials.

The decision to cancel the policy loan came following postponement of visit of a World Bank team to Pakistan. The World Bank had planned to send a mission in the third week of November but it suddenly scrapped the trip a day after bailout talks between Pakistan and the International Monetary Fund (IMF) failed.

However, the World Bank's spokesperson told The Express Tribune in November that the mission cancellation decision had nothing to do with the IMF talks. She stated that the visit had been cancelled due to internal reasons.

Pakistan and the IMF failed to reach a staff-level agreement last month due to the harsh conditions proposed by the global lender in return for approving a second bailout package for the country in the past five years. Both the sides also had differences over the macroeconomic framework. The IMF was projecting a low financing gap as compared to the $12 billion the finance ministry claimed.

The finance ministry is also more inclined to take those policy loans that can be disbursed immediately due to the country's growing balance of payments needs. It is of the view that the disaster risk mitigation loan will block $250 million out of Pakistan's quota of concessionary loan under the International Development Association (IDA) credit, according to government officials.

The country also had to pay commitment charges on the undisbursed amount, they added.

The Catastrophe Deferred Drawdown, known as Cat DDO, is a contingent financing line that provides immediate liquidity to countries to address the shocks related to natural disasters, including health-related events. It serves as early financing while funds from other sources such as bilateral aid or reconstruction loans are being mobilised.

The proposed $250-million loan was aimed at supporting the efforts to be better prepared to face the financial challenges in the case of a major disaster by providing immediate liquidity and complementing existing resources, without distracting ongoing development plans.

Earlier, in January this year, a review mission of the World Bank had not authorised preparations for the loan to continue, asking the bank to put the programme on hold. The mission noted that the Catastrophe

Deferred Drawdown option required approval of an adequate macroeconomic framework, according to World Bank documents.

Pakistan's macroeconomic framework continues to face some risks as the overall external account position weakens, the current account deficit widens and international reserves come under pressure.

The country's gross official foreign currency reserves stand at a mere $7.5 billion, only sufficient to provide cover for six weeks of imports. One of the conditions of the World Bank for disbursing policy loans for budgetary support is to have minimum 10 weeks of import cover.

Pakistan and international lenders also differ over the country's exchange rate regime. They are pushing Islamabad to allow a steep depreciation of the rupee.

The Asian Development Bank (ADB) has given a loan of $200 million to Pakistan for setting up the National Disaster Risk Management Fund. The fund is aimed at bringing a shift in Pakistan's disaster management strategy.

Total size of the fund is expected to be in the range of $1 billion to $1.2 billion, depending on the ADB's total contribution. Initially, the ADB had promised $750 million. The government's share was estimated at $250 million. Any additional financial assistance will supplement the existing fund that is managed under ADB guidelines by a company, headed by a retired military general.

Published in The Express Tribune, December 11th, 2018.

https://tribune.com.pk/story/1864041/2-weakening-external-sector-world-bank-cancels-250m-emergency-relief-loan/

ADB UNVEILS $7.5BN BUSINESS PLAN FOR PAKISTAN
Amin Ahmed Updated December 14, 2018

ISLAMABAD: The Asian Development Bank (ADB) on Thursday announced its new 'Country Operations Business Plan for Pakistan' covering 2019-21, under which resources would be available for sovereign lending programme amounting to $7,528 million.

These resources will be available during the three year period in energy, transport, agriculture, natural resources and rural development, water and other urban infrastructure and services, according to the business plan document.

Besides the new plan, ADB on Thursday signed a loan agreement with the government, worth $284m to improve the country's power transmission network.

The Manila-based lending agency says while the new government is in the process of establishing its development priorities, it is in close dialogue with the government.

Going forward, the bank proposed assistance pipeline for Pakistan may need to be further adjusted, particularly for 2020 and 2021. The new plan is aligned with the ADB's country partnership strategy which is completing in 2019 and the 'Vision-2025'.

The indicative resources available during this period for sovereign operations amount to $5,712.1m, comprising $4,290.0 for regular ordinary capital resources lending and $1,422 for concessional lending.

The final allocation will depend on available resources, project readiness, project performance and debt distress rating of the country among others.

The concessional lending includes a carryover of $600m from 2018. The non-lending programme for 2019-21 is $21.7m, including transaction technical assistance for various pipeline projects.

The bank's non-sovereign operations will supplement these resources. The bank will also explore co-financing from other sources and seek financing from the regional pool under concessional resources and regular OCR for regional cooperation and integration.

In the agriculture, natural resources, and rural development sector, the ADB has allocated $794m in loan financing. The pipeline includes the Greater Thal Canal Irrigation project, and the Smaller Cholistan Water Resources Development project.

In the area of water and other urban infrastructure and services, the bank has allocated $470m in loan financing. The pipeline includes a cross-sector project readiness facility for Punjab and the Punjab Cities Improvement project.

In finance and public sector management, the lender has allocated $2,400m in loan financing to the finance and public sector management sectors. The new business plan includes new projects which are: trade and competitiveness programme in 2019; financial markets development in 2020; infrastructure financing and PPPs in 2021; as well as the second phase of support for the Benazir Income Support Programme in 2020.

The education and health sectors' pipeline includes $225m in loan financing.

The bank's re-engagement in education and health sectors includes $175m for projects on secondary education in Sindh and improving workforce readiness and skills development in Punjab, and $50m project to improve quality of health care services in Khyber-Pakhtunkhwa.

The bank will also provide technical assistance across sectors to help project implementation and to generate and disseminate knowledge products to support policy and project development, as well as to enhance project quality and readiness.

The agreement for $284m is the third tranche of a multi-tranche financing facility (MFF) under the ADB-supported second power transmission investment programme.

The MFF aims to develop a stronger, smarter, greener, and more climate resilient power transmission system in Pakistan.

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https://www.dawn.com/news/1451374/adb-unveils-75bn-business-plan-for-pakistan

GOVT, ASIAN DEVELOPMENT BANK SIGN DEALS WORTH $284M TO IMPROVE POWER TRANSMISSION NETWORK
Dawn.com December 13, 2018

The government on Thursday signed loan and grant agreements worth $284 million with the Asian Development Bank (ADB) in order to "improve Pakistan's power transmission network", stated a press release issued by ADB.

The agreement was signed at a ceremony in Islamabad by ADB Country Director for Pakistan, Xiaohong Yang, and Secretary Economic Affairs Division Noor Ahmed.

"The project will help provide a more stable and secure electricity supply, so people and businesses can continue their productivity and contribution to the economy," Yang said, adding: "ADB was working with the government as well as private sector to further develop Pakistan's power supply chain, including expanding the power transmission network".

This agreement is the third tranche of a multi-tranche financing facility (MFF) under the ADB-supported Second Power Transmission Investment Program.

"The MFF aims to develop a stronger, smarter, greener, and more climate resilient power transmission system in Pakistan," the press release stated.

The tranche comprises a $280 million loan from ADB's ordinary capital resources as well as a $4 million grant from the High-Level Technology Fund (HLTF) to help the National Transmission and Dispatch Company Limited (NTDC) meet the country's electricity demand of 1,150 megawatts "efficiently and reliably".

In an attempt to achieve this, it will deploy high-level technologies and climate-resilient transmission systems through load centers in Punjab.

The investment in the power transmission network — the first investment of its kind by ADB in the country — will pilot large-scale, grid-connected battery energy storage system, which will help NTDC "comply with national standards and best practices in power distribution".

It will also enhance the NTDC's capacity to dispatch intermittent renewable energy.

This investment will also facilitate the development of ancillary services market which is an important component of the future competitive power market.

“The capacity building component of Tranche 3 will support the government in preparing an energy storage system roadmap to leverage the country’s rich indigenous renewable energy potential for longer term energy security,” said Yang.

https://www.dawn.com/news/1451208/govt-asian-development-bank-sign-deals-worth-284m-to-improve-power-transmission-network