COUNTRY SNAPSHOT PAKISTAN

Pakistan	2016
Population, million (2017)	207.8
GDP, current US$ billion	305.0
GDP per capita, current US$	1467.98
Poverty Rate, % ($1.90/day)	6.1
GINI Coefficient	30.7

Sources: World Bank, WDI, and preliminary data from Pakistan Bureau of Statistics (PBS)

AT-A-GLANCE

- Macroeconomic risks increased substantially. The external balance was particularly vulnerable given persistent current account deficits that put pressure on already dwindling reserves. Pakistan's growth outlook continued to improve and inflation remained contained, but to sustain growth and improve welfare it is essential to reverse the current macroeconomic imbalances and continue structural reforms.
- The ouster of Prime Minister Nawaz Sharif enhanced political risks and created some policy uncertainty. The national election in 2018 may affect reform momentum and macroeconomic policy. Securing growth and private investments depends on making progress in implementing structural reforms.
- The World Bank Group is supporting reforms and investments to strengthen Pakistan's government institutions and capacities, particularly in fiscal management and human development. Partnerships are being strengthened at provincial levels, focusing on multi-sectoral initiatives in areas such as children's nutrition, education and skills, social/financial inclusion and urban development. Clean energy also remains a priority.

COUNTRY CONTEXT

The National Assembly of Pakistan elected Shahid Khaqan Abbasi as Prime Minister in August 2017 following a Supreme Court decision that removed the former prime minister. PM Abbasi has vowed to continue with his party's development agenda. General elections are due in 2018.

The latest census put Pakistan's population at 207 million, an increase of 75 million since 1998, with an average annual growth rate of 2.4 percent. The urban population has increased more rapidly than that in rural areas but is still only 36 percent of the total.

Pakistan continues to view deeper regional integration as a pillar of its economic and security objectives. Recent events, including a new US policy on Afghanistan and South Asia, highlight the importance of continuing to work on regional integration but also the challenges this presents.

RECENT ECONOMIC DEVELOPMENTS

Pakistan's GDP growth continued to increase and was at 5.3 percent in FY2017. After a weak performance in FY2016, the agriculture sector picked up and grew at 3.5 percent due to better cotton, sugarcane, and maize crops. The services sector grew by 6.0 percent, surpassing the target of 5.7 percent. Despite a better agriculture performance and its forward linkages with the industrial sector, the growth of industry is estimated to be 5.0 percent.

On the demand side growth was again dominated by domestic consumption which accounted for an overwhelming 92 percent of GDP in FY2017, and contributed 8.4 percentage points towards GDP growth (moderated by a negative contribution of 3.7 percent from net exports). Strong aggregate demand and improving business sentiments were evident in private sector credit growth of 18.2 percent, expanding by Rs.748 billion compared with Rs.446.5 billion in FY2016. Low inflation and low interest rates also contributed to higher credit growth. An increase in foreign investment flows from China (to fund CPEC projects) also contributed to growth.

Pakistan's current account deficit grew to 4 percent of GDP ($12.1 billion) compared to 1.7 percent of GDP in FY2016. The key driver of this was a very large trade deficit, which swelled to 8.9 percent of GDP because of declining exports and high import

growth as well as a decline in remittances after years of strong growth. Healthy financial flows have helped ease some of this pressure but without an adequate policy response the external situation is unsustainable. Similarly, the fiscal deficit widened to 5.8 percent in FY2017, 2 percentage points higher than the budgeted target. This was mainly a result of weak federal tax collection, lower external non-tax flows and unexpectedly high fiscal deficits by provinces.

ECONOMIC OUTLOOK

The outlook is for moderately higher growth. On the supply side, impetus to growth is projected to come from the services and industrial sectors. On the demand side, growth will be driven by public and private consumption, aided by a moderate increase in investment.

The pressure on the current account is expected to persist as the trade deficit remains high during FY2018. This situation could become unsustainable in the absence of corrective policy measures.

Without concerted efforts by provincial and federal governments to tighten fiscal policy, slippages are expected to continue through the election cycle, which will result in a widening fiscal deficit during FY2018. This would primarily be driven by a slower increase in government tax revenues (both federal and provincial) and a sharper increase in expenditures.

Farmer proudly sitting in front of his arid land in Balochistan. He is a beneficiary of Balochistan Small Scale Irrigation Project

Inflation is expected to rise due to higher domestic demand and a slight increase in international oil prices during FY2018.

TABLE: **Pakistan Macro Outlook Indicators** *(annual percent change unless otherwise noted)*

Pakistan	2013	2014	2015	2016	2017 e	2018 f
REAL GDP Growth, at Constant Market Price	4.4	4.7	4.7	5.5	5.7	5.5
Private Consumption	2.1	5.6	2.9	6.9	8.6	4.8
Government Consumption	10.1	1.5	8.1	8.2	10.7	9.8
Gross Fixed Capital Investment	2.6	2.5	15.8	6.7	8.3	8.5
Exports, Goods and Services	13.6	-1.5	-6.3	-1.6	-0.2	1.4
Imports, Goods and Services	1.8	0.3	-1.6	11.7	24.0	4.5
REAL GDP Growth, at Constant Basic Prices	3.7	4.1	4.1	4.5	5.3	5.5
Agriculture	2.7	2.5	2.1	0.3	3.5	2.9
Industry	0.8	4.5	5.2	5.8	5.0	7.0
Services	5.1	4.5	4.4	5.5	6.0	5.8
Inflation (Consumer Price index)	7.4	8.6	4.5	2.9	4.2	6.0
Current Account Balance (% of GDP)	-1.1	-1.3	-1.0	-1.7	-4.0	-4.0
Fiscal Balance (% of GDP)	-8.0	-4.7	-5.2	-4.5	-5.6	-5.9

Sources: World Bank

THE WORLD BANK GROUP AND PAKISTAN

The World Bank's program in Pakistan is governed by its Country Partnership Strategy (CPS) for FY2015-20 [1]. The four results areas of the CPS - Energy, Private Sector Development, Inclusion, and Service Delivery – remain consistent with the Pakistan One Nation One Vision 2025, and are aligned with the WBG's twin goals of eliminating extreme poverty and boosting shared prosperity.

Pakistan is an IDA/IBRD blend country. The IDA17 allocation ($3.4 billion) was fully utilized. The IDA18 allocation is also about $3.5 billion over 3 years. Additionally, Pakistan will have access to various IDA set-aside sources, such as the Scale-Up Facility, the Regional Set-Aside and the Private Sector Window. Pakistan is also eligible for IBRD financing; IBRD has committed $895 million in investment operations and guarantees. The Bank administers a multi-donor trust fund (MDTF), supported by 13 development partners, that provides grant support to the provinces bordering Afghanistan. Currently, the total funds allocated to the MDTF stand at $234 million, committed to 13 projects.

The WBG has delivered two-thirds of the initially envisaged CPS financing of $11 billion.[2] Similarly, IFC has committed $2.6 billion during the last three years in long- and short-term investments far exceeding the CPS targets. Pakistan represents IFC's largest country exposure in the Middle East and Northern Africa (MENA) region. Pakistan is also a focus country for MIGA, for which gross exposure increased by $83 million. In addition, over $360 million in trust fund resources were mobilized to complement lending and Advisory Services and Analytics.

WORLD BANK PROGRAM

The World Bank portfolio has 40 projects with $6.3 billion in commitment and an undisbursed balance of $3 billion. The FY17 disbursement ratio was 21.1 percent and $938 million disbursed. $104 million has been disbursed so far in FY18. The portfolio is performing well, but eight projects remain in the problem status after a joint review by the Bank and provincial/federal governments that tightened performance criteria.

The active projects are distributed across Pakistan's four provinces. The portfolio is diverse and deploys all Bank instruments: Development Policy Financing ($1.8 billion plus $0.42 billion in Policy-Based Guarantee (PBG)); Investment Project Financing (IPF) ($5.4 billion plus $0.4 billion in Partial Credit Guarantees (PCG)); and Program-for-Results (PforR) operations ($0.25 billion). The Bank is expanding the use of PforRs to ensure continuity of reforms both in the near term and in post-election years. Further use of guarantees to de-risk private investments is envisaged after successes in FY2017.

Beneficiaries of Punjab Education Reform Project

Policy dialogue remains strong. The Bank supported the Government's ambitious reform program through several operations focusing on growth, fiscal and energy reforms. The dialogue is expanding toward enabling structural reforms in the provinces. For example, improvements in the business environment require reforms at the provincial level, and fiscal space/revenue mobilization can be made more efficient by coordinating federal and provincial tax administration.

The Bank is also supporting an improvement in human development outcomes: our engagements focus on national targets while strengthening service delivery systems in provinces. At the federal level, the Bank's support would focus on the government's role in incentivizing interventions. The Bank has engaged in multi-sectoral responses in children's nutrition, education and skills, social/financial inclusion and urban development.

World Bank Active Portfolio
(As of end-September)

- No. of Projects: **40**
- Commitments: **$6.3 billion**
- IDA only: **28 projects; $4.4 billion**
- IBRD and IBRD/IDA blends: **4 projects, $1.62 billion**
- Trust Funds*: **8 projects; $220.8 million**

* Only those Trust Funds that are $5 million or greater

1 On June 15, 2017, the Board of Directors reviewed the Program and Learning Review (PLR) and extended the CPS from FY19 to FY20 to align with IDA18.

2 The CPS had envisaged an indicative envelope of approximately $11 billion, including IDA and IBRD ($2 billion); IFC investments of $500-700 million; MIGA guarantees ($50-200 million); and the Multidonor Trust Fund ($200 million) for KP, FATA, and Balochistan.

WBG advisory support is shaping evidence-based policies, pipeline development, knowledge transfer, and implementation support. The Bank's Advisory Services and Analytics initiatives are increasingly programmatic, linking multiyear efforts with outcomes in policymaking, pipeline development, and South-South knowledge transfer. The Bank also delivered a Reimbursable Advisory Service (RAS), a new instrument in the program, now being expanded to two other engagements, including at the subnational level. Besides the programmatic work already initiated, the ASA pipeline includes Pakistan@100: Shaping the Future (a strategic exercise), Systematic Country Diagnostics (including at the subnational level), public expenditure and investment reviews, and job diagnostics, leading up to the next Country Partnership Framework in FY2021.

WORLD BANK – IFC COLLABORATION

Pakistan represents one of IFC's largest country exposures in the MENA region. IFC has committed around $4.3 billion of cumulative long term investments (including mobilization of $879 million) and $4.2 billion of short-term investments. As of end-FY2017 IFC's committed investment exposure was $1.3 billion (own account) in 44 companies. FY2017 commitments include $344 million in the power sector (Karot Hydro and Triconboston Wind), $180 million in agriculture and manufacturing (including FrieslandCampina's acquisition of Engro Foods) and $20 million in Abraaj Capital to support SME financing. IFC provided $331 million in short-term trade finance to 12 local banks. IFC's strategy focuses on infrastructure (including renewable energy), financial inclusion, manufacturing, agriculture, health and education. IFC expects to invest about $500-600 million annually in these sectors.

IFC's Advisory Services portfolio is among the largest in the region with 18 mandates ($26 million). They support access to finance for Micro SMEs, capacity building of small businesses, improving the investment climate, strengthening corporate governance of SMEs, promoting clean energy, and supporting agri-supply chains through farmer capacity building.

IFC and World Bank collaborate to reduce energy shortages, improve the investment climate, increase financial inclusion, especially for MSMEs, and expand regional trade. Joint implementation plans in the energy and financial sectors are aimed at addressing structural constraints and attracting commercial financing to further develop these markets.

MIGA

Pakistan has been a member of MIGA since 1988 and currently represents MIGA's 20th largest country exposure (in gross guarantee terms). It had a gross outstanding portfolio of approximately $350 million as at August 31, 2017. Existing projects span a variety of sectors. They include energy, which represents 66% of the Agency's exposure, where projects include Gulpur Hydropower and Star Hydropower, both also supported by the IFC; financial services, some 24% of MIGA's exposure, in support of the Habib Metropolitan Bank; and manufacturing, roughly 10% of MIGA's exposure, in support of the Stora Enso Packaging Project, a paper and packaging company.

Among MIGA's global priorities for FY2018-2021 is support for FDI with high developmental impact into IDA countries and Pakistan is a key country for MIGA in terms of delivering on this objective. The Agency will seek to support further investments into the country.

CONTACTS:

More about the World Bank Group in Pakistan

Country Website: http://www.worldbank.org/pakistan

Projects: http://www.worldbank.org/en/country/pakistan/projects

News: http://www.worldbank.org/en/country/pakistan/news

Data: http://data.worldbank.org/country/pakistan

Research: http://www.worldbank.org/en/country/pakistan/research

The **"Country Snapshot"** is an annual update highlighting the country's recent developments, economic outlook and major overview of the World Bank Group's partnership with the country. You can find the latest updates for Pakistan at http://www.worldbank.org/Pakistan

PAKISTAN PROJECT PROFILES

PAKISTAN: SINDH SKILLS DEVELOPMENT PROJECT

KEY DATES:

Approved: May 31, 2011
Effective: January 27, 2012
Closing: December 31, 2017

FINANCING (in million US Dollars) :

Financier	Financing
IBRD	
IDA	21.0
Government of Pakistan	
Other	
Total Project Cost	21.0

BACKGROUND AND OBJECTIVES:

This project recognizes: that the Government of Sindh's strong interest in strengthening technical and vocational education and training (TVET); that the labor force's lack of skills poses significant constraints; and that the TVET sector faces substantial challenges. Project design takes into account the need for both structural reforms to strengthen the quality and relevance of TVET, and short-term improvements in the provision of training.

The project development objective is to support the Government of Sindh in strengthening its training programs to improve the skills and employability of trainees. The project includes three components:

- Supporting the provision and relevance of short-term vocational training to 45,000 targeted trainees through private and public training providers selected through a competitive process.
- Results-based support for competitively selected programs and training providers to develop market-driven training with a focus on curriculum development and equipment provision. (19 percent of funding)
- Technical assistance to strengthen capacity of the Sindh Technical Education and Vocational Training Authority (STEVTA) to implement component two activities.

KEY ACHIEVEMENTS:

- Seventy training programs were competitively selected and 24 programs were equipped with competency-based curricula-compliant equipment. Institute Management Committees with private-sector representation have been established in each of the selected training institutes.
- 83,097 unemployed youth were given short-term training and 40 percent of them were employed within three months after completion of the training. Fifty-three percent of the participants trained/beneficiaries were female, which is beyond the target of 28 percent.

IMPLEMENTING AGENCY:

STEVTA.

KEY PARTNERS:

Planning and Development Department, Government of Sindh; Benzir Bhutto Shaheed Youth Development Program.

PAKISTAN: SECOND SINDH EDUCATION PROJECT

KEY DATES:

Approved: March 14, 2013
Effective: March 19, 2014
Closing: December 31, 2018 (Revised)

FINANCING (in million US Dollars) :

Financier	Financing
IBRD	
IDA	400
Government of Pakistan	2200
Other	
Total Project Cost	2600

BACKGROUND AND OBJECTIVES:

The Government of Sindh (GoS) has made significant progress in improving the policy framework for the education sector. In accordance with the 2009 National Education Policy, the GoS passed the Sindh Right of Children to Free and Compulsory Education Act of 2013, which ensures the right to free education for children aged 5-16. Sindh Education Sector Plan (SESP) for 2014-18 has been launched, setting the framework and objectives for the educational sector development.

However, the province has seen very slow progress in enrollment, mainly due to continuous volatile security conditions in the province, frequent floods and natural disasters. Weak planning and implementation capacity of districts and below district levels also contributed to the slow implementation. The validity of various data sets has also been an issue in determining the actual enrollment trends. The project has been restructured to address the school and district level factors that are an impediment to enrollments and retentions.

The GoS has set educational development as one of its key priorities and the strong commitment is shown by the declaration of an Education Emergency in the province. In this context, the project restructuring has been completed to ensure complete accomplishment of educational reforms introduced during the project period and reorientation of the project to overcome specific bottlenecks that were identified – including hiring better qualified teachers, specifically for Science and Mathematics, and improving the basic quality of specific schools.

KEY ACHIEVEMENTS:

Under the Second Sindh Education Sector Reform Project, a series of reforms have been introduced and contributed to improving sectoral governance and accountability. A merit- and need-based teacher recruitment system has been introduced; school consolidation is improving the management of schools and head teachers have been hired to further improve quality of schools. School-based grants have been made available through School Management Committees (SMC) and School Specific Budgets (SSBs). The department has carried out detailed district level situational reviews focusing on school status, teacher and student absenteeism as well as teacher rationalization. Clear and specific actions for re-opening closed schools, and rationalization of teachers and actions against teacher absenteeism have been given to the districts.

IMPLEMENTING AGENCY:

School Education and Literacy Department (SELD), Government of Sindh.

PAKISTAN: PUNJAB SKILLS DEVELOPMENT PROJECT

KEY DATES:

Approved: April 30, 2015
Effective: July 3, 2015
Closing: June 30, 2020

FINANCING (in million US Dollars) :

Financier	Financing*
IBRD	
IDA	50.0
Government of Pakistan	6.3
Other	
Total Project cost	56.3

** as of June 30, 2016; revised amount after partial cancellation; For more information see the latest implementation Status and Results Report.*

BACKGROUND AND OBJECTIVES:

Slow progress on improvements in human development indicators undermines Pakistan's, and hence the Punjab's, competitiveness, economic growth, and efforts to alleviate poverty. While Punjab, Pakistan's most populous province, still provides the largest share in terms of GDP, it has experienced a sharp decline in economic growth since 2004/2005, remaining under 4 percent in each of the last four years. To address constraints to growth in the province, the Government of the Punjab has prepared an ambitious 2015-2018 growth strategy that identifies skills development as one of the key pillars of growth. The main challenges in the skills development sector of Punjab include: a limited supply of skilled workers; a weak institutional framework; a lack of evidence-based policy making; low quality and relevance of training; market failures in industry-provision of training; and low access to skills training. The project aims to support the state government's reform agenda in the skills sector by improving training provision of existing public-training providers with a focus on employability, as well as encouraging private-sector provision of training.

The project development objective is to improve the quality and labor market relevance of skills training programs in priority sectors in the Punjab, as well as access to those programs. The project:

- Uses results-based financing to support the achievement of the government's Growth Strategy and the Punjab's Skills Development Strategy and Vision 2018 objectives through five sub-components along three strategic lines: strengthening the skills training system, improving the quality and relevance of skills training and increasing access to market-relevant trades. For each sub-component, a DLI has been identified with time-bound targets.
- Provides technical assistance and capacity building required to enable the achievement of the DLIs, and to manage project implementation, using a traditional disbursement mode based on unaudited interim financial reports.

KEY ACHIEVEMENTS:

The project became effective on July 4, 2015, and has achieved the following:

- Roll out of Competency Based Training and Assessment (CBTA) Packages
- Initiated Functional Reviews of TTB, PBTE and P-TEVTA (in progress)
- Partnership Framework developed and used to seal four partnership agreements which were signed with industry for strengthening collaboration between training providers and employers to improve quality and relevance of training delivery
- 62 percent of students enrolled in industry partnership courses were employed.

IMPLEMENTING AGENCY:

Department of Industries, Commerce and Investment.

KEY PARTNERS:

P-TEVTA; Punjab Vocational Training Council, Trade Testing Board, Punjab Board of Technical Education, Punjab Skills Development Fund.

PAKISTAN: BALOCHISTAN GLOBAL PARTNERSHIP FOR EDUCATION (GPE)

KEY DATES:

March 18, 2015
Effective: March 18, 2015
Closing: December 30, 2018

FINANCING (in million US Dollars) :

Financier	Financing
IBRD	
IDA	
Government of Pakistan	
Other: GPE	34.0
Total Project Cost	34.0

BACKGROUND AND OBJECTIVES:

The Government of Pakistan joined the Global Partnership for Education in 2012 and an allocation of $100 million has been made available for Pakistan. The provinces of Sindh ($66 million) and Balochistan ($34 million) were shortlisted to receive the financial grant after detailed discussions between the development partners and the Government of Pakistan. The World Bank has agreed to be the supervising entity for the proposed grant; UNICEF is the coordinating agency for the grant. The project development objective is to increase school enrollment and retention in project-supported schools, with a special focus on girls' participation, and to develop mechanisms for information collection and use for improved management of education. The project will benefit four groups.

- Children who will enroll in the newly established schools and those already enrolled in government schools (grades K through 10) will benefit from improved school environments and access to teaching learning materials.
- Girls who did not have the opportunity to enroll in higher grades will benefit from an opportunity through up-gradation of girls schools.
- Teachers and education managers will benefit from professional development, provision of teaching material and capacity-building programs.
- Communities who receive project interventions, especially the parents of the children enrolled in schools, are expected to benefit from access to better quality education.

KEY ACHIEVEMENTS:

The project has finalized selection of a majority of project sites for school up-gradation and construction. Teacher recruitment tests have been conducted for almost 90% of the teaching posts and teacher training is planned for the newly inducted teachers on early learning, mathematics and science. Approximately 28% of the teaching staff have been given contracts after the test and selection process, and placed in community-supported schools. Construction has been initiated on 20% of the selected school sites. All the potential school sites have a Parent Teacher School Management Committee formulated to support and provide oversight to the construction and operationalization of schools.

The Project Management Unit has now digitized the monitoring framework and prepared a dashboard for reporting the results of the project, there is comprehensive, up-to-date information readily available for decision-making and tracking progress of project activities.

In light of the recent progress made in the implementation of project activities, it is expected that implementation will accelerate in the upcoming months.

IMPLEMENTING AGENCY:

School Education Department, Government of Balochistan.

PAKISTAN: THIRD PUNJAB EDUCATION SECTOR PROJECT (PESP III)

KEY DATES:

Approved: June 3, 2016
Effective: October 5, 2016
Closing: December 31, 2021

FINANCING (in million US Dollars) :

Financier	Financing
IBRD	300
IDA	
Government of Pakistan	12,907.50
Other	150
Total project Cost	13,357.50

BACKGROUND AND OBJECTIVES:

Pakistan has made progress in improving education outcome indicators over the past decade. However, there has been persistent underperformance at its level of per capita income in comparison to other developing countries, including in South Asia. Pakistan has the world's second highest out-of-school population, 6.7 million (12 percent of the world's total), of which 56 percent are girls. This issue is made more challenging by a relatively high population growth rate (1.65 percent compared to 1.3 percent regionally in 2013). Public spending for education as a share of the country's GDP is low at 2.5 percent in 2013. Pakistan's social development indicators place it among the least socially developed countries in the world. Less than half of the country's population has completed primary education. Approximately 42 percent of people (age 10 years and above) cannot read and write. About 45 percent of children under 5 years old have a stunted growth. Low social development is also prevalent in Punjab Province, and strikingly so in its low-performing districts (LPDs).

The Government of Punjab (GoPunjab) is committed to support ongoing reforms and implement new initiatives such as ECE and stipends for out-of-school children, to bring about transformative change. It aims to have a better managed and accountable education system, which enables the best quality education opportunities and environment for children, especially in its priority districts. The 2018 goals are grouped into four areas: (a) ensure high-quality teaching and learning in the classroom; (b) improve leadership and accountability at all levels; (c) enable an environment for students that is conducive to learning; and (d) promote a high-quality school infrastructure. The Third Punjab Education Sector Project (PESP III) supports the implementation of the Government of Punjab's larger education program supporting the 2018 Education Goals. The project will be implemented over the period FY2016/17–2021/22 and consists of two parts; a results-based component to support the GoPunjab's education reform efforts and a technical assistance component to support the design and verification of achievement of education reforms. Specifically, the project supports:

- Increasing access to schooling for the poorest through education vouchers, public private partnerships, and stipends for secondary school girls.
- Ensuring quality teaching and learning for all by expanding early childhood education, strengthening merit-based teacher recruitment and teacher placement, providing mentoring support to teachers and strengthening student assessments
- Improving leadership, management and accountability through the provision of school specific non-salary budgets, and data strengthening and performance management
- Technical Assistance: Financing essential advisory, technical, and capacity-building support.

KEY RESULTS EXPECTED:

- Enrolling more than 1 million additional children in school through public private partnerships in Education by 2021
- Establishing 7,000 Early Childhood Education classrooms that meet quality standards by 2021
- Increasing secondary school enrollment for girls in low performing districts to 450,000 students

IMPLEMENTING AGENCIES:

School Education Department, Government of Punjab; Program Monitoring and Implementation Unit, PERSP.

KEY PARTNERS:

UK's DFID

PAKISTAN: TARBELA FOURTH EXTENSION HYDROPOWER PROJECT (T4HP) AND ADDITIONAL FINANCING FOR T4HP (AF/T5HP)

KEY DATES:

	T4HP	AF/T5HP
Approved:	March 20, 2012	September 20, 2016
Effective:	April 27, 2012	August 11, 2017
Closing:	December 31, 2018	June 30, 2022

FINANCING (in million US Dollars) :

Financier	T4HP*	AF/T5HP	TOTAL
IBRD	400.0	390.0	790.0
IDA	325.0	-	325.0
Asian Infrastructure Investment Bank	-	300.0	300.0
Government of Pakistan	63.4	133.5	196.9
Total Project Cost	788.4	823.5	1,611.9

BACKGROUND AND OBJECTIVES:

Pakistan's electricity sector faces a large gap between supply and demand. Widespread load shedding – disconnecting the electric current when demand is greater than supply – is prevalent, affecting economic growth. A shift over the past decade toward expensive fuel oil has also increased the cost of electricity generation. Expanding hydropower generation is therefore fundamental to address Pakistan's long-term energy issues. The project is an important element of the Bank's energy sector strategy of supporting strategic investment projects in generation and transmission infrastructure that contribute to the structural shift to a low-cost, low-carbon fuel mix. The project involves constructing power houses, modifying tunnels, and installing six 470 megawatt (MW) power units on an existing Tarbela Dam located 60 km north-west of Islamabad on the River Indus.

The dam was constructed as part of the Indus Basin Project following the Indus Water Treaty between India and Pakistan in 1960. The dam has five tunnels and two spillways and the hydropower units are installed on Tunnels 1 to 3 (3,478 MW). Tarbela Fourth Extension Project (T4HP) and Additional Financing for construction of Tarbela Fifth Extension Project (T5HP) will add 1,410 MW each to increase total capacity to 6,298 MW. T4HP and T5HP are expected to start generation from June 2018 and June 2021 respectively during the high-flow season that coincides with the peak-demand summer period. Two major contracts (i) construction of power house by M/s Sinohydro (civil works) and (ii) installation of turbines and equipment by M/s Voith (electro-mechanical) for T4HP were awarded in September 2013 and February 2014 respectively. AF/T5HP became effective in August 2017 and hiring of construction supervision consultants is in progress.

EXPECTED RESULTS:

- Increase in electricity supply – 3,000 GWh (T4HP) and 1,800 GWh (AF/T5HP);
- Availability of additional generation capacity during summer months – 1,410 MW each from T4HP & T5HP;
- Reduction in overall production cost of energy by 2.4 percent from PKR 7.02 to 6.85 per kWh; and
- Successful pilot of installing floating solar plant leading to expansion of solar generation from Tarbela.

IMPLEMENTING AGENCY:

Water and Power Development Authority (WAPDA) & National Transmission and Despatch Company Limited (NTDC)

KEY PARTNER:

Asian Infrastructure Investment Bank (AIIB)

PAKISTAN: DASU HYDROPOWER STAGE 1 PROJECT (DHP-1)

KEY DATES:

Approved: June 10, 2014
Effective: November 20, 2014
Closing: June 30, 2022

FINANCING (in million US Dollars) :

Financier		Financing*
IBRD		
IDA		588.4
Government of Pakistan		680.0
Commercial Borrowing	Local Currency	1,400.0
Commercial Borrowing	Foreign Currency	1,000.0
Other Sources	Additional Financing	579.3
Total Project Cost		4,247.7

; Financing for the project is being undertaken to match the project implementation schedule. For more information, see the Project Appraisal Document. An IDA credit in the amount of SDR 379.7 million ($588.4 million equivalent) and an IDA Partial Credit Guarantee (PCG) in the amount of $460 million were approved by the World Bank for DHP-I in June 2014. Bank involvement in the Project gave comfort to local commercial banks to lend PKR 144 billion ($1.4 billion equivalent) and raise $350 million of foreign currency financing using IDA Partial Credit Guarantee of $ 250 million. Remaining IDA PCG will be used for a Bond transaction.*

BACKGROUND AND OBJECTIVES:

Dasu Hydropower Project (DHP) is part of the Indus Cascade and is also a part of a least-cost solution to mitigate power shortfall and reduce cost of generation in the country. It is a run-of-river greenfield project about 240 km upstream from Tarbela Dam. The total size of the project is 4,320 megawatt (MW). However, it is optimal to develop the project in two stages of 2,160 MW each. DHP Stage 1, including six generating units of 360 MW each and 350-km, 765kV transmission line from Dasu to Islamabad. In June 2014, World Bank approved $588.4 million primarily for the preparatory works and resettlement and an IDA Partial Credit Guarantee (PCG) in the amount of $460 million to mobilize commercial financing and time it in a manner that funds are available at the time of award of three major contracts civil works (MW-01 and MW-02) and electro-mechanical (EM-01). MW-01 and MW-02 contractors have been mobilized and EM-01 is at the bidding stage.

The overall project development objective is to facilitate the expansion of electricity supply of hydro-power in Pakistan. The project would trigger the development of Indus Cascade that will change the energy landscape in the country which presently relies on expensive thermal generation based on imported fuels. The financing model uses an innovative approach in which instead of an upfront financial close funds are being mobilized to match the investment needs, thus minimizing the project's financing cost. Additional financing will be processed to cover any gap after the design of the transmission line is complete, all costs are known, and other additional sources of funding have been finalized. The project is a "high-risk-high-reward" operation aimed at providing low cost non-carbon renewable energy.

EXPECTED RESULTS:

- DHP-I will supply 12,225 gigawatt hours (GWh) annually (~12 percent of total existing supply) at a very low cost.
- It will improve socio-economic services in the project area and directly benefit more than 20,000 people.
- The project will also strengthen WAPDA to develop other large hydropower projects.

IMPLEMENTING AGENCY:

Water and Power Development Authority (WAPDA) & National Transmission and Despatch Company Limited (NTDC)

PAKISTAN: FINANCE FOR GROWTH DPC (P161136)

KEY DATES:

Approved: March 15, 2017
Effective: March 15, 2017
Closing: June 30, 2018

FINANCING (in million US Dollars) :

Financier	Financing*
IBRD	
IDA	301.60
Government of Pakistan	
Other	
Total Project Cost	301.60

**as of June 30, 2017; IDA Credit of SDR 222.1mn (equivalent to US$ 301.6mn) is made up of three portions: (i) Portion A of the Credit is on regular IDA blend terms of SDR178.7mn (equivalent to US$ 242.7mn), Portion B of the Credit is on IDA hard terms of SDR6.6mn (equivalent to US$ 8.9mn), Portion C of the Credit is on IDA Scale Up Facility (SUF) terms in an amount SDR 36.8mn (equivalent to US$ 50mn)*

BACKGROUND AND OBJECTIVES:

The Project Development Objective is to support Government of Pakistan efforts in promoting an inclusive and transparent financial sector that is able to better intermediate resources for long term finance. The PDO will be achieved through three pillars: (i) Improving access to finance and enhancing financial inclusion; (ii) Fostering long-term finance; and (iii) Enhancing transparency of the financial sector.

- Despite being a stand-alone operation, the project builds on ongoing development policy financing engagement with the Government of Pakistan and focuses on continuing the reform momentum toward a significant overhaul of the legislative and institutional framework of the financial sector.
- The operation supports policy actions in three broad areas:
- First, to enhance financial inclusion, launching a national DTA Scheme is aimed at facilitating the expansion of accounts and financial products. Modernizing the Central Directorate of National Savings (CDNS) is aimed at supporting better utilization of existing access points in the country. Approving the Companies Bill allows for a better regulatory framework for SMEs to set up and grow and get access to credit. The Deposit Protection Act inspires confidence in deposit-taking financial institutions.
- Second, to address gaps in intermediation of long-term finance, developing a national infrastructure finance policy creates a vision and framework to identify the funding challenge to meet Pakistan's growing infrastructure needs. Issuing Prudential Regulations for long-term finance streamlines the regulatory framework for the financial sector to tap various sources of financing to meet the funding challenge. Overall, availability of long-term finance is necessary for the government (e.g. for infrastructure), private sector (e.g. for productive investment), and individuals (e.g. for housing finance).
- Third, financial sector transparency is likely to be enhanced by the Benami Transactions Prohibition Bill, conducting a National Risk Assessment for Anti-Money Laundering and Combatting Financing of Terrorism (AML/CFT), assessing corporate governance of state-owned insurance corporations, and launching a registered prize bonds scheme, will all contribute towards enabling the financial sector to play an enhanced role in the economy.

EXPECTED RESULTS:

To measure results, the following outcome indicators will be used:

- Ease of access to finance and enhanced financial inclusion
  - Number of transactional accounts at financial institutions by gender; target: 50 million (women 7.5 million)
  - percent of NSS client's profits distributed through the banking sector; target: 5% out of more than 7 million NSS accounts
  - percent increase in number of companies registered; target: 6.5 percent or 4,265 companies
  - percent increase in deposit base of banking sector; target 15 percent
- Unlock the constraints to long-term finance
  - Long-term loans as percent of total banking sector loans; target 10%
- Enhance the transparency of the financial sector
  - Adjudicating authority established and operational
  - Pakistan remains in compliance with FATF Recommendation-1
  - Value of registered prize bonds as a share of outstanding prize bonds; target 2 percent
  - The Chairman and the Chief Executive Officer (CEO) of SLIC meet the fit and proper criteria

KEY PARTNERS:

Government of Pakistan: Ministry of Finance, Ministry of Commerce, State Bank of Pakistan, Securities and Exchange Commission.

PAKISTAN: PUNJAB PUBLIC MANAGEMENT REFORM PROGRAM

KEY DATES:

Approved: November 14, 2013
Effective: January 15, 2014
Closing: December 31, 2018

FINANCING (in million US Dollars) :

Financier	Financing
IBRD	
IDA	50
Government of Pakistan	20
Other	
Total Project Cost	70

**as of June 30, 2017*

BACKGROUND AND OBJECTIVES:

The Program Development Objective is to improve transparency and resource management of targeted departments. The project has the following three result areas:

1. Transparency and access to services to improve citizens' access to information and facilitate access to key services.
2. Monitoring of service delivery to support performance management and support decision-making to improve services.
3. Resource mobilization and value for money: to improve the collection of the urban immovable property tax (UIPT) and to increase accountability and efficiency in public procurement.

KEY INTERVENTIONS:

- Promoting proactive disclosure of information required under the Punjab Right to Information Act (RTI Act) on government websites.
- Facilitating access to information about public services through call centers.
- Monitoring the performance of public service providers with smart phones and real-time data analysis on management dashboards.
- Building a digital property tax data base and broadening the tax base by including previously unregistered properties.
- Making public procurement more efficient by tracking all procurement processes in a Management Information System.

KEY RESULTS:

All targets of the program's Disbursement-Linked Indicators (DLIs) for the first four years have been achieved, as confirmed by annual Third Party Validation (TPV) reports. Progress toward the Program Development Objective is on track. Key results include the following:

- 75 government organizations are publishing institutional information on their websites as required by the RTI Act.
- A Citizen Contact Center is providing information by telephone, SMS, email, and Whatsapp to citizens' enquiries on 27 public services.
- The delivery of six public services provided by the education, health, and livestock departments is being tracked in real time thanks to data collected through smart phones from all 36 districts and reported on management dashboards. Indicators monitored through this system include teachers' and students' attendance in schools, the adequacy of medical supplies in hospitals, the immunization of children, and agricultural extension and veterinary services provided to farmers.
- The urban property records of 18 districts have been digitized and over 300,000 additional properties have been added to the database. This has the issuance of automated invoices and contributed to the growth of UIPT receipts by 98% since FY13. The digitization of urban property records in the remaining 18 districts is due to be completed in the final year.
- A public procurement Management Information System is being used to track procurements by 90 government organizations and generate statistics on their procurement performance (speed of procurement completion, number of bidders, contract prices).

IMPLEMENTING AGENCIES:

Punjab Information and Technology Board, Punjab Resource Management Program, Excise and Taxation Department, PPRA

KEY PARTNER:

Department for International Development (DFID), UK

PAKISTAN: NAGHLU HYDROPOWER REHABILITATION PROJECT

KEY DATES:

Approved: January 28, 2015
Effective: April 28, 2015
Closing: August 31, 2020

FINANCING (in million US Dollars) :

Financier	Financing
IBRD	
IDA	50
Gov't of Pakistan	220
EU Grant	12
Total Project Cost	282

** as of June 30, 2017 For more information see the latest Implementation Status and Results Report*

BACKGROUND AND OBJECTIVES:

Sindh, the most industrialized and second largest province with a population of 48 million, is facing important development challenges and has yet to realize its full potential. Improving revenue mobilization and expenditure management performance is necessary to raise the provincial curve of economic and social growth. While federal transfers, which constitute 70 percent of the revenues of the province, provide a significant base for provincial expenditure, federal transfer revenues are not adequate to finance the existing infrastructure and social development needs. The development objective of the project is to strengthen public-sector performance in Sindh through improved revenue generation and expenditure management. The project has two components:

- Results-based financing to support selected public sector management (PSM) reforms ($40 million). These reforms concern four results areas: (i) increasing tax revenue mobilization; (ii) enhancing performance of PFM systems; (iii) strengthening of public procurement performance; and (iv) improving management of the development portfolio.
- Technical assistance (TA) support capacity building and institutional strengthening required for the achievement of the targeted reforms ($10 million) in all four results areas of the project.

KEY ACHIEVEMENTS AND RESULTS:

- The Project Development Objective indicators are the following: increased collection of sales tax on services; improved credibility of budget execution; and reduced time-frames for the completion of public procurement processes. The first two indicators are fully on track.
- Sindh Tax Reform Strategy and Public Financial Management Strategies have been approved.
- The Sindh Sales Tax to Services targets for 2013/14, 2014/15, 2015/16, and 2016/17 were achieved.
- The staffing plan of the Sindh Revenue Board (SRB) has been revised to reflect current staffing needs. A pre-service training program for incoming staff is under way.
- Most required elements of the automation plan of SRB have been implemented, and the remaining ones are in progress.
- SRB has submitted the combined Annual Reports for FY2014/15 and FY2015/16 for the approval of the Chief Minister.
- The external debt management manual of FD has been prepared and is awaiting approval by the Chief Minister.
- Recruitment of managerial staff for the Internal Audit Department of the Finance Department (FD) is under way, but no working-level auditors have been hired or re-assigned. The FD is working on an internal audit approach and methodology.
- The Sindh Public Procurement Regulatory Authority is working to finalize the certification course on procurement processes.
- The Annual Development Plan Management Information System is being rolled out to monitor the implementation progress of projects by five departments (Education; Health; Irrigation; Energy; Construction and Works).
- Government of Sindh to submit Action Plan to accelerate achievement of targets and propose reallocation of TA funds.

IMPLEMENTING AGENCIES:

Sindh Finance Department, Sindh Revenue Board, Sindh Public Procurement Regulatory Authority, Planning and Development Department, Excise and Taxation Department

KEY PARTNERS:

European Union

PAKISTAN: KHYBER PAKHTUNKHWA GOVERNANCE AND POLICY PROJECT

KEY DATES:

Approved: April 20, 2017
Effective: May 23, 2017
Closing: June 30, 2020

FINANCING (in million US Dollars) :

Financier	Financing*
IBRD	
IDA	
Gov't of Pakistan	3.00
Trust Fund (MDTF)	10.00
Total Project Cost	13.00

BACKGROUND AND OBJECTIVES:

Khyber Pakhtunkhwa (KP) is one of Pakistan's less developed regions, with a number of economic and social development indicators lagging behind the national averages. With the devolution of competences to provinces in several areas and increased federal transfers, KP has increased spending on public services but the increase of funds has strained its Public Financial Management (PFM) system. Dispersion of resources in Public Investment Management (PIM) has also resulted in quality issues in service delivery. The province also has much scope to further increase its own-source revenues and reduce its dependency on federal transfers.

The development objective of the Governance and Policy project (GPP) is to strengthen the capacity for Sales Tax on Services (STS) collection, and improve public investment management and accountability of public service delivery with a focus on the water sector, a priority sector for the provincial government with a large share in the development budget. The GPP has three components:

- Increasing government's capacity for revenue mobilization (STS collection) and PFM ($5.25 million). This component includes the development of a revenue mobilization framework based on an assessment of the province's revenue potential, technical assistance and training for STS administration and the development of a PFM reform strategy.
- Strengthening public investment and accountability in public services ($5.25 million). This component includes assessing, developing and implementing an action plan for improving KP's PIM system; increasing the geo-mapping and online publication of public investment assets in the water sector for improved monitoring (results-based financing); and improving the effectiveness of key Grievance Redress Mechanisms (GRMs) and accountability institutions.
- Improving capacity for the coordination of governance reforms and operational management ($2.5 million) notably through the establishment of a Governance Reform Support Unit in the Planning and Development Department (P&DD).

EXPECTED RESULTS:

The Project targets the following key results:

- Increased collection of the STS
- Increased average size of the appropriation per water sector project in the Annual Development Program (ADP)
- Increased citizen engagement through regular collection of citizen feedback and direct engagement of citizens in monitoring service delivery in the water sector (particular attention will be paid to having 50% of the feedback providers and monitors be women)
- Improved skills of public officials (certification in FM, procurement, project management, and M&E)

IMPLEMENTING AGENCIES:

Government of KP: Planning and Development Department, Finance Department

KEY PARTNERS:

MDTF Round II Donors: Australia, European Union, Germany, Italy, Norway, Swiss Development Cooperation

PAKISTAN: BALOCHISTAN GOVERNANCE AND POLICY PROJECT

KEY DATES:

Approved: December 28, 2016
Effective: May 6, 2017
Closing: June 30, 2020

FINANCING (in million US Dollars) :

Financier	Financing
IBRD	
IDA	
Gov't of Pakistan	3.00
Trust Fund (MDTF)	16.00
Total Project Cost	19.00

BACKGROUND AND OBJECTIVES:

Balochistan is the poorest of Pakistan's provinces and has the lowest social indicators and widest gender disparities. As such, the province was the biggest beneficiary of the 7th NFC award of 2010 which allowed for greater spending on public services, but has also strained the implementation capacity of the public administration with challenges to fully execute the development budget. In addition, Balochistan's own-source tax collection is the lowest among the provinces with much scope to increase the collection of the Sales Tax on Services (STS) especially, for which the province has now taken responsibility. Public investment management and procurement is hampered by project fragmentation resulting in sub-optimal service delivery.

The Governance and Policy Project's development objective is to strengthen the capacity for STS collection and improve accountability in public financial management and public service delivery in the education and irrigation sectors. These two sectors have the largest allocations in the Public Sector Development Program (PSDP) of the province. The Project has four components:

1. Increasing effectiveness of sales tax collection ($5.5 million). This component includes the development of a strategic tax revenue mobilization plan based on an assessment of the province's revenue potential and technical assistance and training for STS administration.
2. Strengthening accountability in public financial management ($5 million). This component will include the development of a PFM reform strategy and establishing various key functions and units in the Finance department.
3. Improving public investment management and accountability in public services ($6 million). This component will include assessing, developing and implementing an action plan for improving Balochistan's PIM system; developing a policy framework for Public Private Partnerships (PPPs), developing government's M&E capacity and improving the effectiveness of key Grievance Redress Mechanisms (GRMs) and accountability institutions.
4. Improving capacity for the coordination of governance reforms and operational management ($2.5 million), notably through a Governance Reform Support Unit in the Planning and Development Department (P&DD).

EXPECTED RESULTS:

The Project targets the following key results:

- Increased collection of the STS.
- Increased average size of education and irrigation sector projects included in the PSDP
- Increased number of investment projects in the education sector and irrigation sectors that have been geo-mapped and published online
- Increase in the cases related to education resolved by the Office of Balochistan Ombudsman
- Increased number of officials with certification in financial management, internal audit, procurement, project management, and M&E

IMPLEMENTING AGENCIES:

Government of Balochistan: Planning and Development Department, Finance Department

KEY PARTNERS:

MDTF Round II Donors: Australia, European Union, Germany, Italy, Norway, Swiss Development Cooperation

PAKISTAN: FATA GOVERNANCE AND POLICY PROJECT

KEY DATES:

Approved: December 2, 2017
Effective: February 23, 2017
Closing: June 30, 2020

FINANCING (in million US Dollars) :

Financier	Financing
IBRD	
IDA	
Gov't of Pakistan	2.50
Trust Fund (MDTF)	14.00
Total Project Cost	16.50

BACKGROUND AND OBJECTIVES:

The Federally Administered Tribal Areas (FATA) constitute Pakistan's poorest and most-conflict affected region. Security risks, complete dependence upon and uncertainties about federal financing, financial management constraints, and low capacity across sectors have kept public service provision below national levels. The uncertainty, lack of capacity and transparency has particularly affected the budget process and public investment management which in turn hinders effective service delivery

The Governance and Policy Project GPP) aims to increase transparency and effectiveness in public resource management and strengthen accountability of public service delivery. The project's interventions focus on the agriculture sector (including livestock and irrigation), due to its critical contribution to the livelihoods of people in the region. The GPP in FATA has three components:

- Increasing transparency and accountability in the use of public resources ($6.5 million). This component supports priority PFM reforms towards a credible and transparent budget process and strengthening public procurement.
- Strengthening public investment management and service delivery ($7 million). This component includes assessing, developing and implementing an action plan for improving FATA's PIM system; and the use and strengthening of performance management and citizen engagement tools to strengthen accountability and expand access to services in the agriculture sector.
- Improving capacity for the coordination of governance reforms and operational management ($3 million) through the establishment of a Governance Reform Support Unit in the Planning and Development Department (P&DD).

EXPECTED RESULTS:

The Project targets the following key results:

- Improved reporting of transactions through the extension of the National Financial Management Information Systems (NFMIS) at the level of the agencies and frontier regions of FATA;
- Timely disclosure of key budget documentation and dissemination through public hearings;
- Increased share of procurements conducted through competitive selection and published notices;
- Increased number of cases resolved by the FATA Tribunal; and
- Increased citizen engagement through regular collection of citizen feedback and direct engagement of citizens (at least 30 percent women) in monitoring service delivery in the agriculture sector

IMPLEMENTING AGENCIES:

FATA Secretariat: Planning and Development Department, Finance Department

KEY PARTNERS:

MDTF Round II Donors: Australia, European Union, Germany, Italy, Norway, Swiss Development Cooperation

PAKISTAN: PUNJAB HEALTH SECTOR REFORM PROJECT

KEY DATES:

Approved: May 31, 2013
Effective: January 17, 2014
Closing: December 31, 2018

FINANCING (in million US Dollars) :

Financier:	Financing*
IDA	100.0
Government of Pakistan	830.0
Other: DFID	165.0
Other	20.0
Total Project Cost	1115.0

** as of September 01, 2016; For more information see the latest Implementation Status and Results Report*

BACKGROUND AND OBJECTIVES:

Punjab, with 53 percent of the total population, holds the key to Pakistan's progress towards attaining the SDGs. The Punjab Health Sector Strategy was approved in March 2013 and the PHSR Project was financing the implementation of the strategy. During its implementation, the GOPb decided that some of the processes to achieve the objectives need to be changed and the focus was diverted. The project restructuring was done in April 2017 in order to realign the PHSRP with the Government of Punjab's (GOPb) new reform priorities, as well as with the structural changes in the Punjab Department of Health since project approval.

The Project Development Objective (PDO) remains relevant and the overall project focus remains unchanged. The project design is to assist the implementation of reforms proposed in the Punjab Health Sector Strategy and at the same time ensure that service disruption does not occur. The project has a Technical Assistance (TA) component to provide an opportunity to the Departments of Health (Departments of Specialized Healthcare and Medical Education & Primary and Secondary Healthcare) to avail specific skills that are required during the reform process. The pace of implementation has improved and the project rating has been upgraded to Moderately Satisfactory in the latest ISR.

The project components are:

Component 1: Improving Health Service Delivery; Component 2: Enhancing Efficiency and Effectiveness of the Health System; Component 3: Strengthening Provincial Department of Health Management Capacity; Component 4: Improving the Capacities in Technical Areas; and Component 5: Strengthening Nutrition Interventions.

Under the restructuring, the focus of the interventions under each component has been modified, due to: (i) the change in policy directions and consequent deletion of related DLIs, and (ii) the increased focus on malnutrition activities. The original Component 1 remains as is, but with a renewed focus on family planning and maternal health, to be financed through DLIs. The original Components 2 and 3 now focus on: complaint management systems and health care waste management. Technical assistance activities under Component 4 was modified to provide support for the agreed policy reforms, the bifurcated departments, and service delivery actions. Input-based financing will continue to be used for this component. A new Component 5 has consolidated all activities concerning nutrition to allow for a more focused implementation and monitoring of the activities.

EXPECTED RESULTS:

Increase in the number of fully immunized children 12-23 months of age and births attended by skilled health personnel; Increase in modern contraceptive prevalence rate; Children 0-24 months of age receiving basic package of nutrition services; Increase in the proportion of children 0-24 months of age being screened (at least biannually) for malnutrition in the target districts.

IMPLEMENTING AGENCY:

The Punjab Health Sector Reforms Program (PHSRP) (which was renamed as the PSPU (Policy & Strategic Planning Unit)).

KEY PARTNERS:

UK, DFID

PAKISTAN: NATIONAL IMMUNIZATION SUPPORT PROJECT

KEY DATES:

Approved: (April 21, 2016)
Effective: (November 23, 2016)
Closing: (December 31, 2021)

FINANCING (in million US Dollars) :

Financier	Financing*
IBRD	-
IDA	50.00 M
MDTF – Gavi and USAID	79.60 M
Total Project Cost	129.60 M

** as of August 31, 2017. Project financing additionally includes $25 M from the Bill & Melinda Gates Foundation as a partial buy-down to be made available within 6 months of project closure, dependent on achievement of performance targets.*

BACKGROUND AND OBJECTIVES:

There is intense international scrutiny on Pakistan's polio eradication efforts. Global polio eradication depends on Pakistan and Afghanistan interrupting transmission in 2017. If this does not occur, the projected global resources required to meet the goal will expand by an additional $800 million each year. The Bank has provided financial support of about $250 million for Pakistan's polio eradication efforts from 2003 to 2014. At the same time, routine immunization in Pakistan has performed poorly, with some of the worst coverage in the region – concentrated in the poorest populations. Consequent outbreaks of vaccine preventable diseases such as measles frequently cause significant childhood mortality and morbidity, provoking public anger. The Bank, therefore, in partnership with Gavi, USAID, the Gates Foundation, and the Government has developed the National Immunization Support Project (NISP), with a results-based structure with an emphasis on strengthening provincial capacity to manage and implement this essential public health function.

The project also addresses the historical fragmentation of financing of routine immunization. The NISP IDA Credit of $50mil is co-financed with the Government of Pakistan Immunization Programs (Federal and Provincial), as well as a multi-donor trust fund for immunization contributed to by Gavi and USAID (total $94 million, of which $79.60 million is for recipient executed activities). NISP also includes an innovative financing instrument – the "results-linked buy down". Disbursement-Linked Indicators (DLIs) govern disbursement of the majority of the credit and grant resources, but these are also complemented by partial loan cancellation commitment from the Gates Foundation ($25 million), subject to achievement of the same DLI targets.

CSOs: With poor children as the major beneficiaries the project has a strong poverty focus. The project specifically aims to benefit vulnerable groups and previously neglected groups to increase their access to immunization by engaging CSOs. The role of CSOs will be expanded to address the barriers to routine immunization at policy and planning, services provision, and community levels. Formal CSO representation on the Steering committee of the multi-donor trust fund has been instituted, to ensure an effective voice for the project beneficiaries in project activities.

KEY ACHIEVEMENTS:

- An innovative mechanism for coordinated procurement of vaccines between the Federal and Provincial levels of Government was developed with Bank technical assistance – ensuring efficient and continuous national vaccine procurement. A new system of national accounts for immunization has also been developed, which will promote evidence-based planning and sustainable financing for this key public health program.
- The technical and fiduciary capacity of the provincial and federal government agencies responsible for implementing the immunization program have been increased. All provinces report achievement of the first year DLI target in instituting and using detailed supervisory plans for vaccination at the local level.
- Procurement of $36 million in essential vaccine storage and transport equipment has been approved, which will leverage an additional $20 million in grant resources in kind, to ensure vaccines are delivered quickly and with high quality to the sites of service delivery.

IMPLEMENTING AGENCIES:

Government of Pakistan - Ministry for National Health Services, Regulations and Coordination and the Departments of Health of Balochistan, Kyber Pakhtunkwa, Punjab and Sindh.

KEY PARTNERS:

Gavi, the Bill and Melinda Gates Foundation, USAID, the World Health Organization and UNICEF.

PAKISTAN: SINDH ENHANCING RESPONSE TO REDUCE STUNTING

KEY DATES:

Approved: May 26, 2017
Effective: Not yet
Closing: December 31, 2021

FINANCING (in million US Dollars) :

Financier:	Financing*
IDA	61.62
Government of Pakistan	
Other:	
Total Project Cost	

** as of September 01, 2016; For more information see the latest Implementation Status and Results Report*

BACKGROUND AND OBJECTIVES:

For decades, Pakistan has had persistently high rates of stunting (and other forms of malnutrition) and currently has the third highest number of stunted children in the world. Nationally, 44 percent of children under five suffer from stunting; in Sindh Province, the rate of stunting is 48 percent. To reverse the situation, the Government has developed and approved an Accelerated Action Plan for Reduction of Stunting and Malnutrition (AAP) with the ambitious goal of reducing stunting from 48 percent to 30 percent by 2021 and has requested Bank support in achieving this goal. The Government has estimated the cost of implementing the AAP over the period 2017-21 at approximately $646 million. The proposed project in the amount of $63 million would contribute to the implementation of the AAP through a results-based approach to link disbursements to the achievement of agreed-upon, pre-defined indicators.

The Project Development Objective is to reduce the stunting rate by targeting the most affected districts in Sindh Province. The project proceeds will finance: (i) results contributing to the achievement of the objectives set forth in the Sindh Government's AAP; and (ii) technical assistance and other inputs needed by the government to facilitate the implementation of the AAP. Under Component 1 (Expanding Access to a Multi-sectoral Package of Services for Reducing Stunting --$45 million), the project will support a multi-sectoral package of services shown to contribute to the PDO by financing results, measured by the achievement of DLIs, under a defined Eligible Expenditure Program (EEP). Under Component 2 (Strengthening Key Cross-cutting Nutrition-related Interventions and Project Management-- $18 million), the project will finance technical assistance and selected inputs to support: (i) measures for implementing the pilot Conditional Cash Transfer (CCT) program for women and children in the poorest quintile to access health and nutrition services; (ii) development and implementation of an overarching multi-sectoral communications strategy for social and behavior change; and (iii) institutional arrangements for cross-cutting interventions including coordination, strengthening accountability, citizen engagement, integrated multi-sectoral data information systems, monitoring, evaluation, gender and supervision.

EXPECTED RESULTS:

For the nutrition-specific interventions (health and nutrition), the indicators targeting vulnerable groups include: (i) pre-natal visits, iron supplementation, tetanus toxoid vaccination, and contraceptive use; and (ii) micronutrient supplementation, screening of children for malnutrition, and Vitamin A supplementation (for infants and children 0-59 months). For the nutrition-sensitive interventions, the project will track interventions addressing sanitation and hygiene (open defecation free villages), food production (kitchen gardens, fish ponds, and backyard livestock), and early childhood education. Finally, the project will track indicators related to project implementation and citizen engagement.

IMPLEMENTING AGENCY:

Government of Sindh (Secretariat to the Nutrition Coordinator to the Chief Minister)

KEY PARTNERS:

N.A.

PAKISTAN: COMPETITIVENESS AND GROWTH DEVELOPMENT POLICY FINANCING

KEY DATES:

Approved: June 21, 2016
Effective: June 21, 2016
Closing: December 31, 2017

FINANCING (in million US Dollars) :

Financier	Financing*
IBRD	420.0
IDA	500.0
Government of Pakistan	
Other	
Total Project Cost	920.0

** as of June 30, 2015; revised amount after partial cancellation; For more information see the latest Implementation Status and Results Report*

BACKGROUND AND OBJECTIVES:

This operation combines a single-tranche stand-alone IDA DPC of $500 million and an IBRD policy-based guarantee (PBG) in the amount of $420 million to support commercial financing by Pakistan. The operation has two development objectives: (i) improving the business environment and (ii) enhancing fiscal management by improving revenue management and making public spending more pro-poor. After successfully restoring macroeconomic stability, supported by the previous FSIG DPC series, the Government of Pakistan is stepping up efforts through deeper reforms and an accelerated pace of implementation. Implementation continues in important areas that have been supported by previous operations, such as the removal of discriminatory tax exemptions and efforts to improve the business environment. Reform efforts are becoming more granular and focusing on more difficult aspects. For example, in order to expand the tax base and improve tax compliance, FBR is reforming its approach to audits and is increasing its focus on large taxpayers. Efforts to reform SOEs are going beyond privatization transactions and focusing on reforming whole sectors and improving the information base for both privatization and SOE reform.

The operation supported a significant overhaul of the legislative and institutional framework of the financial sector. The Government has adopted a revised poverty line, which increases the poverty headcount from below 10 percent to almost 30 percent. The WBG will support the country's efforts to develop the financial sector and facilitate Pakistan's access to international markets. The operation and the choice of instruments are well-aligned with the Addis Ababa Action Agenda on Financing for Development adopted in July 2015, with a strong focus on domestic resource mobilization as well as the use of multilateral development finance to leverage additional resources from the private sector. The PBG was used in June 2017 by the Government of Pakistan to raise $700 million through a loan, significantly extending maturity while also securing good pricing.

EXPECTED RESULTS:

To measure results, the following outcome indicators will be used:

- In the Doing Business 2018 report, the Distance to Frontier Indicator for Getting Credit will have increased to 50.
- By March 2017, the number of taxpayers who submit a tax return online will have increased to 773,000. (Achieved)
- By June 2017, listed capital in capital market will have increased by 15 percent to PKR 1.46 trillion
- By 2017, housing finance market will have increased to 2 percent as a percentage of private sector credit.
- By 2016, consolidated SOE financial information will be available to the public. (Achieved)
- By end June 2016, State Life Insurance Corporation will be subject to the same rules as other corporate insurance companies by complying with Companies Ordinance 1984.
- By June 2017, the overall tax collection is at least 12.2 percent of GDP. (Achieved)
- By June 2017, the share of foreign debt as a percentage of total public debt is between 20-35 percent, in line with the Medium-Term Debt Strategy. (Achieved)
- By June 2017, the number of households with updated poverty scorecard information registered in the National Socio-Economic Registry will have reached 2.5 million. (Achieved)
- By June 2016, the Government of Pakistan will have published a new poverty rate using the latest data (2013/14) along with trends in poverty on the old line. (Achieved)

KEY PARTNERS:

Government of Pakistan: The Ministry of Finance, the Federal Board of Revenue, BISP, the Ministry of Commerce, the Securities and Exchange Commission, the Ministry of Planning, Development and Reform, the Privatization Commission, State Bank of Pakistan.

PAKISTAN: FATA TEMPORARILY DISPLACED PERSONS EMERGENCY RECOVERY PROJECT

KEY DATES:

Approved: August 26, 2015
Effective: December 22, 2015
Closing: June 30, 2020

FINANCING (in million US Dollars) :

Financier	Financing*
IBRD	
IDA	189
Gov't of Pakistan	10
Other	
Total Project Cost	199

** as of September 1, 2017; For more information see the* latest Implementation Status and Results Report

BACKGROUND AND OBJECTIVES:

In response to militancy, in June 2014 the Pakistan Army launched a second security operation in five FATA Agencies (North Waziristan, South Waziristan, Orakzai, Kurram and Khyber) resulting in displacement of approximately 340,000 families and necessitating a safety net response. With the success of military operations in most areas, the Government has started the TDPs repatriation process. The World Bank has provided support to the Government of Pakistan (GoP) through the FATA Temporarily Displaced Persons Emergency Recovery Project (TDP ERP) to support early recovery of families affected by the militancy crisis, promote child health, and strengthen emergency response safety net delivery systems in affected areas of FATA.The project has two main components:

- Early Recovery Grant (ERG) and Livelihood Support Grant (LSG). This component will aim to support the early recovery of approximately 326,000 TDP families from FATA through two unconditional cash grants; (i) a one-time Early Recovery Grant (ERG) of $350 per family and; (ii) a Livelihood Support Grant (LSG) of $160 per family in four monthly installments of $40. The LSG will be delivered through One-Stop-Shop (OSS) registration and delivery centers to be set up in FATA through a phased rollout.
- Promoting child health in selected areas of FATA. Under this component, a conditional cash grant shall be provided with the intent to promote uptake of child health services offered to families with children aged 0-24 months through four pilot OSSs. Registration of eligible families and periodic attendance of awareness sessions at OSS will be accompanied by a Child Wellness Grant (CWG). The grant amounts to $75 provided in three installments of $25 each for promoting positive health seeking behavior of families for their children. The World Bank support is budgeted to support 300,000 beneficiaries. Based on the learning and outcomes from the initial phase of testing the component in 4 OSS, the Government has now decided to roll out to all OSS.

KEY ACHIEVEMENTS:

- Fourteen of the planned fifteen One-Stop-Shops (OSS) have been deployed in the five affected agencies of FATA.
- This is the first project globally to have attained readiness under STEP. All procurement activities are now being managed through the online procurement system.
- The project has achieved 65 percent of targets within the first year of operations. 85% of the results are overachieved per the timeline.
- Initial data from the field shows that despite the use of soft conditionality (self-election of beneficiaries for use of Child Wellness Package after receiving under CWG), over 65 percent of beneficiaries opt to use the Package.
- 98% of transfers withdrawn with 93% of beneficiaries satisfied with the program delivery

IMPLEMENTING AGENCY:

Economic Affairs Division (EAD), Ministry of Finance, Government of Pakistan & National Database and Registration Authority (NADRA)

KEY PARTNERS:

PAKISTAN: NATIONAL SOCIAL PROTECTION PROGRAM

KEY DATES:

Approved: March 15, 2017
Effective: April 28, 2017
Closing: June 30, 2021

FINANCING (in million US Dollars) :

Financier	Financing
IBRD	
IDA	100
Gov't of Punjab, Pakistan	
Other	
Total Project Cost	100

as of September 01, 2017; revised amount after partial cancellation; For more information see the latest Implementation Status and Results Report.

BACKGROUND AND OBJECTIVES:

After the successful completion of the Social Safety Net project, the World Bank will continue to support the strengthening and consolidation of the national social safety net platform of Pakistan (BISP) through a new operation titled "National Social Protection Program". The PDO is "to strengthen the national social safety net systems for the poor to enhance their human capital and access to complementary services".

EXPECTED RESULTS AND ACHIEVEMENTS:

- Consolidate achievements, and ensure effective delivery of basic income support and cash transfers linked to education co-responsibilities, which have been shown to help reduce short term malnutrition among children and improve enrolment and attendance in basic education; and
- Improve beneficiaries' access to complementary services to provide the poor with opportunities to achieve self-sufficiency over the longer run.

End of the project targets:

- 80 percent of BISP beneficiary households are from the bottom two expenditure quintiles.
- 1.5 million children of WeT beneficiary families are paid for at least two consecutive quarters based on compliance with attendance co-responsibilities.
- 400,000 BISP beneficiary households have at least one member enrolled in at least one complementary social and productive service.

The program has recently become effective and is in its early stages.

- Hiring of an IVA (Independent Verification Agency) to verify the achievement of DLIs.
- Hiring of consultants from open market to support program implementation.

IMPLEMENTING AGENCY:

BISP, Government of Pakistan

KEY PARTNERS:

DFID, ADB.

PAKISTAN: DISASTER & CLIMATE RESILIENCE IMPROVEMENT PROJECT (DCRIP)

KEY DATES:

Approved: June 2, 2015
Effective: August 31, 2015
Closing: December 1, 2019

FINANCING (in million US Dollars) :

Financier	Financing*
IBRD	
IDA	125
Government of Pakistan	
Other	
Total Project Cost	125

**For more information see the latest implementation and Results Report*

BACKGROUND AND OBJECTIVES:

Floods hit parts of Pakistan in early September 2014, including Punjab and the districts of Neelum, Hattian, Bagh, Poonch, Haveli, Kotli, Bhimber and Muzaffarabad. The disaster caused 367 deaths, mostly in Punjab province, in addition to damages to houses, agriculture, transport, irrigation and communications infrastructure. It is estimated by the NDMA that the floods affected over 2.5 million people in both rural and urban areas. The federal and provincial governments were proactive in relief operations in the immediate aftermath of the floods. Following the conclusion of the relief phase, the government moved towards medium- and longer-term planning for recovery, reconstruction, and increasing resilience. The Disaster and Climate Resilience Improvement Project was prepared in response to the government's request for assistance in responding to the floods of 2014.

The project development objective is to support restoration of flood protection infrastructure and strengthen government capacity to manage disasters and climate variability. The project comprises four components:

- Restoring Flood Protection Infrastructure and Upgrading Flood Management Systems ($100 million): to enhance physical resilience through the restoration, rehabilitation, and improvement of critical flood protection infrastructure.
- Managing Disasters and Climate Variability ($17 million): to strengthen the government's capacity to better manage disasters. It would finance risk identification, institutional strengthening for improved management of disasters and enhancing fiscal resilience.
- Project Management ($8 million): will be implemented through mandated government departments including Punjab Irrigation Department, Punjab Disaster Management Authority, and the State planning and development department. It will support engagement of additional resources at project implementation units within these departments.
- Contingent Emergency Response Component: In the event of a natural disaster, critical emergency response and recovery costs in the province may be supported through this component upon activation.

KEY ACHIEVEMENTS:

- In Punjab, 7 priority flood embankment works are at advanced stages of implementation and would be completed by the end of the year while 15 works are at advanced stages of preparation and expected to be awarded by early next year. Capacity Assessment of PDMA has been completed and specialized equipment for Provincial Emergency Operations Center (PEOC) including incident command vehicles have been procured. A draft Disaster Risk Financing Strategy for the Province will also be presented to the Finance Minister by the end of the month.
- In the State, capacity assessment of SDMA, DRM plan, logistics plan and early warning mapping and assessment has been completed and 10 District Emergency Operations Centers (DEOCs) have been established.

IMPLEMENTING AGENCIES:

- Provincial Disaster Management Authority (PDMA) Punjab
- Punjab Irrigation Department
- State Planning and Development Department

KEY PARTNERS:

- Punjab Planning and Development Board
- Punjab Finance Department
- Punjab Procurement Regulatory Authority
- State Disaster Management Agency (SDMA)

PAKISTAN: SINDH RESILENCE PROJECT (SRP)

KEY DATES:

Approved: June 21, 2016
Effective: September 15, 2016
Closing: February 28, 2022

FINANCING (in million US Dollars) :

Financier	Financing*
IBRD	
IDA	100
Government of Sindh	20
Other	
Total Project Cost	120

** For more information see the latest Implementation and Results Report*

BACKGROUND AND OBJECTIVES:

The Sindh Resilience Project (SRP) will focus on improving institutional capacities, performance, and preparedness at key agencies responsible for managing disaster risk in Sindh. In addition, the Project will further contribute toward enhancing resilience to hydro-meteorological disasters including floods and drought through physical infrastructure investments. The dialogue with Government of Sindh has established floods and droughts as the highest priority areas, owing to high frequency and impact. The dialogue has further identified critical needs in these areas, along with an estimate of resources needed to address these priorities.

The project development objectives are to mitigate flood and drought risks in selected areas and to strengthen Sindh's capacity to manage natural disasters. The project comprises three components:

- Strengthening Disaster and Climate Risk Management ($23.75 million): To primarily focus on key disaster management institutions in terms of strengthening operational systems and capacities at the provincial and district levels. In addition, it will support the Government of Sindh to develop greater 'fiscal resilience' through strengthening financial capacity and risk financing mechanisms, and mainstream disaster risk reduction in development planning and budgeting processes.
- Improving Infrastructure and Systems for Resilience ($96 million): This will primarily support restoration and improvement of embankments at high risk sites along the Indus for protection against riverine floods as well as construction of small rainwater-fed recharge dams in drought prone regions in Sindh. It will also assist the Sindh Irrigation Department towards implementing project interventions and increasing operational efficiency.
- Contingent Emergency Response: In the event of a natural disaster, critical emergency response and recovery costs in the province may be supported through this component upon activation.

KEY ACHIEVEMENTS:

- 3 civil works projects on flood embankments will be awarded this year and work commenced. Combined, the 3 projects will protect 371,334 people and 227,450 acres of land from floods.
- Capacity assessment of PDMA is underway, based on which capacity building activities would be designed and rolled out.
- An initial Fiscal Disaster Risk Assessment (FDRA) has been completed for the Province.

IMPLEMENTING AGENCIES:

- Provincial Disaster Management Authority Sindh
- Sindh Irrigation Department

KEY PARTNERS:

- Sindh Planning and Development Department
- Sindh Finance Department

PAKISTAN: PUNJAB JOBS AND COMPETITIVENESS PROGRAM FOR RESULTS (P155963)

KEY DATES:

March 31, 2016
Effective: June 30, 2016
Closing: December 31, 2021

FINANCING (in million US Dollars) :

Financier	Financing
IBRD	100 M
IDA	
Government of Punjab, Pakistan	180 M
Other	
Total Project Cost	280 M

BACKGROUND AND OBJECTIVES:

The objective of the project is to contribute to the competitiveness of Punjab (Pakistan) by reducing the cost of doing business and improving the hard and soft infrastructure in support of industry. This Program for Results credit will support the industrial development objectives of the Government of Punjab. It will motivate important business environment regulatory reforms (e.g. business registration, permits and licensing, contract enforcement and property registration) as well as motivate and finance the deployment of important soft and hard industrial infrastructure along the economic spatial development plan (e.g. industrial zones and industrial cluster development centers). The project will promote sustainable industrialization from an environmental and social point of view (e.g. Combined Effluent Treatment Plants and special amenities for female workers within industrial zones). The implementation of the actions required to achieve the results will be supported by a parallel program of Bank-executed technical assistance financed by DFID.

EXPECTED RESULTS:

- - Aggregate improvement of Punjab's performance with respect to business registration, contract enforcement, construction permits and property registration.
- - Steps taken by Punjab to improve its contribution to Pakistan's compliance with the GSP+ Labor Conventions. This DLI is directly linked to the second Program Key Result.
- - Steps toward improvement of investment promotion, measured in particular through the number of investment announcements by foreign investors.
- - Steps toward developing and implementing a spatial strategy for Punjab, to prioritize and coordinate public investments.
- - Steps toward the effective development of industrial infrastructure through public private partnerships.
- - Steps toward designing and implementing a new institutional framework to support Industrial Estates and clusters.

KEY ACHIEVEMENTS:

The project has achieved all Disbursement-linked Indicators, and the requirements of the Program Action Plan and Legal Agreement set for the first year of implementation. Key achievements include:

- Development of Punjab Business Registration Portal.
- Establishment of an Alternative Dispute Resolution Center and operationalization of three temporary Mediation Centers in Lahore.
- Lahore High Court launched the Enterprise Case Management System for efficient management and flow of court cases to reduce pendency in litigation.
- Lahore Development Authority and the Local Government Department improved the system for issuing building permits in Lahore.
- Punjab Land Record Authority improved the property registration system in Lahore.
- Punjab Labor Department improved the labor inspection system.
- Approval of the Punjab Investment Promotion Strategy which immediately contributed to a successful foreign investor engagement mission – "Punjab China Industrial Cooperation Road Show/Business Forum" held in China in June, 2017.
- Pre-feasibility study for a New Economic City completed.
- Faisalabad Industrial Estate Development and Management Company prepared two feasibility studies, for establishing a Combined Effluent Treatment Plant and a Weaving City Industrial Estate on Public Private Partnership mode.
- New Industrial Estate Policy Framework developed.
- Launch of a Cluster Reinforcement Initiative for the surgical industry in Sialkot by the Cluster Development Unit.

IMPLEMENTING AGENCY AND PARTNERS:

Punjab Planning and Development Department, Industries Department, Lahore High Court, Law Department, Housing Department, Finance Department/Board of Revenue, Local Government Department, Labor Department.

PAKISTAN: KARACHI PORT IMPROVEMENT PROJECT

KEY DATES:

Approved: September 9, 2010
Effective: July 15, 2011
Closing: December 30, 2017

FINANCING (in million US Dollars) :

Financing source	Total amount
Total Project Cost	115.8
Borrower	
Total Bank Financing	
IBRD	115.8

BACKGROUND AND OBJECTIVES: HAS TWO COMPONENTS:

- Financing reconstruction of berths 15 to 17A on the East Wharf at Karachi Port.
- Preparing a five-year business plan and vision document that covers capital investments, operations, human resource development, land management, information technology and port user representation.
- Strengthening port environmental management to eventually comply with ISO international standards.
- Improving financial management and planning to meet IFRS accounting standards and effectively utilize port revenues, and installing an Enterprise Resource Planning (ERP) System.

RESULTS ACHIEVED:

- Berths 15 to 17 have been operational since 2015. In 2016, the average waiting to service time ratio for these berths was 0.25, well below the end of project (EOP) target of 0.35. The average occupancy rate for these berths was 35.7%, against EOP target of between 45-55%. The average berths throughput for 2016 was 0.61 million tons, against EOP target of 1.12 million tons. In first five months of 2017, the average waiting to service time ratio for these berths came down further to 0.2, the average occupancy rate increased to 50%, and the average berths throughput recorded was 0.33 million tons.
- The civil work for reconstruction of berths 100 percent complete, and reconstructed berths handed over to KPT's Operations Division. Three berths 15 to 17 operational since mid-2015, while remaining berths 17A to 17C are yet to be utilized as the dredging works adjacent to these berths has not been completed.
- The Karachi Port Strategic Development Plan and Business Plan have been prepared.
- Development and implementation of an environmental management system. Consultant firm has completed all tasks. External audit and ISO certification process expected to start by November 2017.
- KPT's financial audits fully compliant with International Financial Reporting Standards (IFRS). KPT has fulfilled the requirement to move towards IFRS-compliant accounts well before the target date.KPT has initiated a request to seek further extension in project closing date by six months i.e. till June 30, 2018.

IMPLEMENTING AGENCY:

The Karahi Port Trust (KPT)

KEY PARTNERS:

PAKISTAN: WATER SECTOR CAPACITY BUILDING AND ADVISORY SERVICES PROJECT

KEY DATES:

Approved: December 21, 2015 (AF); June 26, 2008 (original)
Effective: February 5, 2016 (AF); September 22, 2008 (original)
Closing: June 30, 2021 (AF); January 31, 2016 (original)

FINANCING (in million US Dollars) :

Financier	Original Financing*
IBRD	
IDA	34.91 M
Total Project Cost	34.91 M

** as of June 30, 2017; revised amount after partial cancellation; For more information see the latest Implementation Status and Results Report*

BACKGROUND AND OBJECTIVES:

Pakistan depends on relatively scarce water resources, especially those of the Indus Basin. The extensive system of canals that distribute Indus water supports an irrigation sector that represents close to one quarter of the national economy and employs 45 percent of the labor force. As population and water demands grow, Pakistan faces increasing water management challenges, including: (i) increasing water productivity in irrigation; (ii) improving the process of water accounting and equitable allocation; (iii) closing power shortfalls including through hydropower development; (iv) reducing water pollution, and (v) improving resilience to drought and floods that are expected to worsen with climate change.

The project aims to improve the management and investment planning of water resources in the Indus River Basin, including through building the capacity of federal and provincial institutions for water resources planning and management, strengthening water management policy and governance, and improving the technology and capabilities for water measurement and water resources analysis.

Based on successful completion of WCAP phase I (see key achievements below), a request of government of Pakistan $ 34.95 million Additional Financing was approved by the Bank to sustain the momentum of the project and to continue to deliver high-level strategic support to addressing water sector challenges for Pakistan.

In the second phase the project will guide implementation of the National Flood Protection Plan-IV and the National Water Policy, establish modern systems for water measurement for the major Indus Basin Irrigation System infrastructure, improve flow forecasting and technical aspects of water resources planning and management at the basin scale, and strengthen the capacity and water research infrastructure within the provinces.

EXPECTED RESULTS AND ACHIEVEMENTS:

- Feasibility study and detailed engineering design for eleven small / medium dams
- Preparation of the Pakistan Water Statistics Handbook
- Preparation of the National Flood Protection Plan-IV
- Development of a GIS/MIS Centre and Decision Support System for the Indus River System Authority
- Informing preparation of the (draft) National Water Policy

IMPLEMENTING AGENCY:

Ministry of Water Resources

KEY PARTNERS:

Water and Power Development Authority; Indus River System Authority, Federal Flood Commission, Federal Planning Commission and four provincial irrigation departments

PAKISTAN: BALOCHISTAN INTEGRATED WATER RESOURCES MANAGEMENT AND DEVELOPMENT

KEY DATES:

Approved: June, 2016
Effective: November, 2016
Closing: October, 2022

FINANCING (in million US Dollars) :

Financier	Financing*
IBRD	
IDA	$200.00
Government	$2.00
Beneficiaries	$7.70
Total Project Cost	$209.70

** as of June 30, 2017*

BACKGROUND AND OBJECTIVES:

Balochistan is comprised of eighteen river basins crossing six agro-ecological zones. Given the challenges of topography and inadequate water distribution infrastructure less than half of the water available to Balochistan from the Indus is utilized. Less than 40 percent of Balochistan' s available water is from the Indus River, and this fraction is only available to around 5 percent of the area of the province. The nature of the climate also means that extended droughts and destructive flash floods are relatively common, and are expected to worsen with future climate change. Groundwater is a small fraction of the overall resource but its comparative reliability means it is in high demand. In the absence of regulation or coherent management, groundwater has fueled horticultural development, the most economically important component of agriculture in Balochistan, and supports most urban areas and is thus over-abstracted leading to major declines in groundwater levels.

In spite of its considerable mineral and energy resources and lack of reliable water, weak governance and a lack of investment mean the province is still highly dependent on agriculture (60 percent of provincial GDP and 67 percent of labor). Recent economic growth has been largely driven by expansion of tube-well irrigation for high-value agriculture, especially horticulture with key agricultural products including wheat, apples, grapes, vegetables, barley, milk and meat. While per capita water availability in Balochistan is well above the national average, this simply reflects the low population. Variability in water availability is far higher than the national average and per capita water storage is only 20 percent of the (grossly inadequate) national value. As a consequence, Balochistan is the least water-secure province in Pakistan, the most at risk from climate change, and the least able to cope with water-related development challenges. In the current context improving rural livelihoods and stimulating economic growth require vastly improved management of the scarce water resources of the province.

The Project Development Objective is to strengthen the provincial government's capacity for water resources monitoring and management and to improve community-based water management for targeted irrigation schemes in Balochistan.

The project will be implemented in two high priority river basins (the Nari and Porali) as a first step in a long-term process of province-wide water sector strengthening and reform. In each river basin, the project will support: (A) Institutions, Capacity and Information – including intuitional strengthening, and hydrometeorological data collection and management; and (B) Water Infrastructure and Management Investments – rehabilitating irrigation schemes, improving watershed and rangeland management, improving on-farm water management and productivity.

EXPECTED RESULTS AND ACHIEVEMENTS:

The project will primarily benefit around 70,000 rural households (approximately 570,000 people) through more productive and better managed irrigation schemes and livestock-supporting rangelands, reduced flood protection and improved potable water supplies. However, the project will also benefit provincial government agencies through training in water planning and management, and new investments in hydrometeorological monitoring and modeling.

IMPLEMENTING AGENCY:

Irrigation department, Government of Balochistan.

KEY PARTNERS:

Departments of Planning & Development, Agriculture, Forests, Livestock, and Public Health Engineering, Government of Balochistan.

PAKISTAN: BANK ALFALAH LIMITED - IFC

KEY DATES:

September 12, 2014 (Equity)
Signed: November 20, 2014
Invested: December 18, 2014 (Equity)

FINANCING (in million US Dollars) :

Financing source	Committed
Equity	66.7
Guarantee *	9.5

** As of June 30, 2017 Total GTFP facility approved amount is $80 million.*

BACKGROUND AND OBJECTIVES:

Bank Alfalah Limited ("BAFL" or the "Bank") is the fifth largest private sector bank in the country. It has a network of 650 branches that includes 153 Islamic Banking Branches. BAFL has an asset base of $9.1 billion, deposits of $6.3 billion and an equity base of $609 million as of June 17 with a ~6.0% market share (based on total assets). It also has presence in Bangladesh, Afghanistan and UAE and is listed on the Pakistan Stock Exchange. The Bank also has one of the largest Islamic banking networks in the country in terms of branches across Pakistan. BAFL is majority owned by the Abu Dhabi Group comprising members of the Al Nahyan family, one of the ruling families of the UAE and leading businessmen and associates based in UAE.

IFC's relationship with BAFL started in 2007 through the GTFP/ trade program with an original limit of $20 million that has been gradually increased to $80 million. On the AS side, IFC completed a SME advisory program with the Bank related to capacity building of its SME banking operations in June 2014. This engagement paved the way for an equity opportunity in the Bank, and IFC made an equity investment of $66.7 million for 15% stake in December 2014. IFC is now engaged with the Bank on other AS discussions including agricultural financing and non-financial services.

IFC is currently engaged with the Bank on a supply chain finance advisory initiative, the mandate of which is expected to be signed in September 2017. Also, the IFC investment team is discussing a $50-75 million SME facility to support the Bank in growing its SME portfolio. The concept note on the facility is already approved. Additionally, a sustainable energy finance facility is also being discussed to enable BAFL to build its green banking portfolio.

KEY RESULTS AND ACHIEVEMENTS:

- The equity investment provided critical capital support to the Bank. IFC's investment is supporting the Bank to grow its conventional and Islamic banking operations, increase penetration into priority areas like SME banking and agricultural finance, helping improve access to finance in the country
- The SME Advisory project ran from June 2012 to June 2014, where a new SME unit was set up, the credit processes were re-engineered to be more efficient and attuned to the smaller SMEs, and competitive differentiation was ensured through introducing non-financial advisory function.
  - o BAFL became the first bank in the country to host SME toolkit, which offers a web-based platform outreach to the market.
  - o BAFL has disbursed 61,858 new SME loans since IFC's SME Advisory engagement in September 2012, amounting to $6 billion.
- The GTFP/ trade facility helped BAFL finance trade commitments of approximately $495 million since inception, supporting trade of essential commodities such as oil and gas, agricultural products, chemicals and others.
- BAFL has developed an environmental and social management system and is implementing it across its portfolio expected to have a demonstration effect and will help in making sustainable lending a sector wide trend.

KEY PARTNERS:

BAFL, Abu Dhabi Group (ADG).

PAKISTAN: CHINA THREE GORGES SOUTH ASIA INVESTMENT LIMITED (CSAIL

KEY DATES:

Approved: May 01, 2014
Signed: November 22, 2014

FINANCING (in million US Dollars) :

	COMMITTED*
LOAN	
EQUITY	125

** as of June 30, 2017; For more information see the IFC Project Summary.*

BACKGROUND AND OBJECTIVES:

China Three Gorges Corporation ("CTGC"), one of the largest renewable power companies in the world is a key partner for IFC in the Pakistan power sector. CSAIL was established by CTGC's international investment arm – China Three Gorges International Corporation ("CTGI") - and was joined by IFC as a founder shareholder, with a 15% shareholding for a committed investment of $125 million. Silk Road Fund also joined CSAIL in 2017 as an equity partner, with a 15% shareholding. CSAIL is structured as a scalable investment platform to develop, own and operate renewable power generation projects in Pakistan. It represents one of the largest renewable energy platform investments for IFC, structured as a strategic engagement, targeting a significant development impact in the Pakistan power sector and a clear and well defined additionality role for IFC.

CSAIL currently owns a portfolio of multi-stage renewable power projects with total capacity of around 2,600 MW, for an estimated investment of around $6b. The portfolio comprises an operational wind project (50MW), two wind projects (100MW) and a hydro project (720MW) financially closed and under construction, and two hydro projects (1,124 MW & 640 MW) at early development stages. All portfolio projects are majority owned and managed by CSAIL through locally incorporated project-financed, single purpose companies. The under-construction wind and hydro projects are expected to be operational in 2018 and 2021 respectively, while the two under development hydro projects are expected to achieve phased commissioning by 2025.

IFC partnership in CSAIL is premised on bringing together IFC's sector, country, E&S, governance and commercial expertise, and CTGC's technical, operational and financial strengths to create a large independent and investible power company that can attract further private capital and eventually be listed internationally. IFC continues to make focused value added contributions to the evolution of CSAIL, primarily in the form of adopting best practice international corporate governance standards and developing in-house capabilities and requisite systems to follow IFC Performance Standards for each of its portfolio projects. In terms of the significant development impact of this project, IFC participation not only helps address the country's power supply deficit through development of sizeable incremental low cost generation capacity, utilizing indigenous, renewable resources but it also facilitates the single largest investment in Pakistan's power sector, as a demonstration effect for increased private investment in the renewable energy sector in Pakistan.

IMPACT/ EXPECTED RESULTS:

- Bridge half of Pakistan's existing supply shortfall, estimated at around 5,000 MW;
- Increase the available generation capacity in Pakistan by 10-15% and renewable power generation by 25-30%;
- Significantly reduce the average cost of generation by substituting expensive oil-fired generation with low cost hydros,
- Substantial foreign exchange savings through the substitution of imported fuel oil, a critical benefit given Pakistan's balance of payments weaknesses;
- Increase private sector share in overall generation by 10-15%; and
- Provide access to electricity for 11.2 million individuals – 6% of the total population.

KEY PARTNERS:

China Three Gorges Corporation, China Three Gorges International Corporation

PAKISTAN: ENGRO ELENGY TERMINAL ("ENGRO ELENGY")

KEY DATES:

Approved: April 2015
Effective: Debt Disbursement in March 2016 and Equity Disbursement in May 2016.
Invested: Debt Commitment in November 2015 and Equity Commitment in April 2015

FINANCING (in million US Dollars) :

FINANCING SOURCE	COMMITTED
LOAN	20.0
EQUITY	14.1

** as of June 30, 2017; revised amount after partial cancellation. For more information see the* IFC Project Summary.

BACKGROUND AND OBJECTIVES:

- The company owns and operates the first LNG receiving re-gasification and storage terminal at Port Qasim near Karachi in Pakistan. In 2014, the company signed a 15-year LNG Service Agreement with Sui Southern Gas Company (SSGC); whereby SSGC (along with Pakistan State Oil) is responsible for the LNG supply at the terminal while paying a tolling fee for LNG handling and storage services on take-or-pay basis. For the re-gasification and storage of LNG, the terminal relies on a Floating Storage and Regasification Unit (FSRU), which is being leased under a long-term arrangement from Excelerate Energy L.P-- a world leading LNG storage and regasification solutions provider.
- The project's sponsor is Engro Corporation, which is one of Pakistan's largest industrial conglomerates.
- The project entails an A-loan of $20 million, mobilization of $30 million in the form of a Parallel loan from ADB and a straight equity investment of around $14.1 million for a 20% stake.
- Since commissioning in March 2015, Elengy Terminal is the only operating LNG import facility in Pakistan. The terminal is handling a contractual LNG volume of around 1.5 MTPA during the first year of operation and 3 MTPA starting the second year of operation. In addition, the company is in discussion with SSGC to handle an additional 200 mmcfd of LNG at the terminal to increase total throughput to 4.5 MTPA

IMPACT:

- The project has a significant development impact addressing the country's severe gas supply deficit, which is expected to grow over the coming years. Since its commissioning in March 2015, Elengy Terminal is the only operating LNG import facility in Pakistan. The terminal is handling the contractual LNG volume of around 1.5 MTPA during the first year of operation and 3 MTPA starting the second year of operation
- The project enables import of natural gas as a more economically viable feedstock for electric power generation, at a time when rapidly diminishing indigenous gas resources have resulted in the power sector becoming over-reliant on expensive imported fuel oil. In addition, it diversifies the country's fuel supply mix and helps open one of the largest gas markets in Asia to the global LNG market;
- Success of the project has led to LNG being a major component of Pakistan's energy mix (3 new LNG terminals are under development).

KEY PARTNERS:

Engro Corporation, Asian Development Bank

PAKISTAN: : FRIESLANDCAMNIA (FC)

KEY DATES:

Approved: June 24, 2016
Effective (Committed): Loan: November 30, 2016; Equity: June 29, 2016
Invested: Loan: January 19, 2017; Equity: December 15, 2016

FINANCING (in million US Dollars) :

FINANCING SOURCE	COMMITTED
LOAN	100
EQUITY	45.6* (€40)

** using exchange rate as of June 30, 2017*

BACKGROUND AND OBJECTIVES:

Headquartered in the Netherlands, FrieslandCampina (FC) is the sixth largest dairy group globally with $12.2 billion sales in 2016 in more than 100 countries. Over recent years, FC has focused on growth in emerging markets where it currently generates around 40% of its revenues. FC is wholly owned by Zuivelcooperatie FrieslandCampina, Europe's largest cooperative with 19,000 member farmers from the Netherlands, Germany and Belgium.

IFC has recently invested in FC's acquisition of 51% of Engro Foods (EF) shares through a Dutch offshore SPV created for the purpose of this transaction. The IFC financing was to partly finance the acquisition and comprised (i) a structured equity investment with two tranches, a quasi-equity of €27.5 million and a straight equity of €12.5 million, for 9.2% of the shares in the SPV alongside an equal parallel structured equity investment by FMO, and (ii) an A loan of $100 million to FC (the Project). IFC's indirect shareholding in EF is around 4.7%. The EF acquisition was completed in December 2016.

EXPECTED IMPACT:

The IFC investment features strong additionality, which include: (i) increased benefits to small-holder dairy farmers (200,000); (ii) enhancing supply-chain efficiencies in milk collection (270,000 distributors); (iii) job creation and inclusive growth; (iv) improving food safety and food security; and (v) promoting foreign direct investments to Pakistan (which as a result of the Project more than doubled since 2015).

In addition, IFC participation (i) sends a strong market signal on the positive outlook for the Pakistani economy; (ii) provides support to a global company in a scalable manner; and (iii) helps to share risk in a challenging environment. In the absence of IFC's participation, FC would opt for a smaller shareholding in the Company and as a consequence, the development impact benefits associated with the Project would be less likely to be realized.

KEY PARTNERS:

FrieslandCampina, Engro Foods, FMO

PAKISTAN: GULPUR HYDRO POWER PROJECT

KEY DATES:

IFC Dates
Approved: December 8, 2014
Signed: May 14, 2015
MIGA Dates:
Approved: June 30, 2015
Signed: June 30, 2015

FINANCING (in million US Dollars) :

	Committed*
IFC Loan	60
MIGA Guarantee	83
Co-financing	

** For more information see the IFC Project Summary.*

BACKGROUND AND OBJECTIVES:

The Gulpur Hydropower Project consists of the construction, operation and maintenance of a greenfield, 102MW run-of-the-river hydro power plant, on the Poonch River, under a Build-Own-Operate-Transfer scheme. The project site is approximately 167 kilometers south-east of Islamabad and 28 kilometers upstream of the Mangla Dam Reservoir. The project is the third independent power producer of hydropower in Pakistan and will sell all of its electricity to the Central Power Purchasing Authority of Pakistan under a 30-year Power Purchase Agreement.

The project will:

- Help increase much needed generation capacity using a domestic renewable resource, thereby increasing security of energy supply; Ease the severe energy demand-supply deficit in the country and the resulting drag of power shortages on economic growth;
- Help diversify the generation mix away from thermal power and contribute to lowering the average economic cost of power generation in Pakistan;
- Provide significant climate change and environmental benefits compared to alternative thermal power options in terms of displacing greenhouse gas emissions;
- Create jobs during the project construction and operating phase;
- Reduce reliance on imported fuel oil and help to offset trade and current account deficits.

By providing long-term loan and guarantees to a much-needed infrastructure project, IFC & MIGA will play an important role in the overall project financing at a time when international commercial lenders and insurers are not open to long term financing/guarantees in Pakistan.

EXPECTED RESULTS:

- Provision of clean power to the national grid by 2019.
- Provide environmental benefits compared to alternative thermal power options in terms of displacing greenhouse gas emissions.
- Create jobs during the construction and operation phase.

KEY PARTNERS:

Korea-Exim, ADB, FMO, and CDC.

PAKISTAN: HABIB BANK LIMITED

KEY DATES:

Approved: April 08, 2015 (Senior Loan and Equity)
Signed: April 09, 2015
Invested: April 17, 2015 (Equity) and April 20, 2015 (Senior Loan)

FINANCING (in million US Dollars) :

Financing source	Committed
Senior Loan *	150
Equity	75
Guarantee **	7

** as of June 30, 2017,. IFC Participation is with $86 million while $64 million was mobilized by IFC acting in its capacity as implementing entity for the Managed Co-Lending Portfolio Program. For more information see the IFC Project Summary.*
*** Total GTFP facility approved amount is $50 million.*

BACKGROUND AND OBJECTIVES:

Habib Bank Limited (HBL) is the largest bank in Pakistan in terms of assets, with a market share of approximately 17 percent. In April 2015, IFC invested $225m in HBL through a $150 million senior loan (including $86million mobilization) and $75m equity for a 3.08 percent equity stake. IFC's relationship with HBL started in 2006 through a $50 million, eight-year, tier 2 sub debt which was fully repaid in December 2014. The purpose of the loan was to strengthen the capital base and support HBL's turnaround and expansion post privatization. This engagement paved the way for IFC Advisory Services (AS) to help HBL improve its training infrastructure and processes. A GTFP facility was initiated with HBL in 2007 with a $20 million line, which was enhanced over time to $100 million. Currently the line stands at $50 million. IFC entered into an AS agreement with HBL in June 2011 to provide capacity building in Small and Medium Enterprise (SME) banking, which concluded in June 2013. IFC helped the bank: a) develop a value proposition for SMEs; b) re-engineer its credit and risk process; c) strengthen staff skill levels; and d) pilot its SME banking services. Subsequently, IFC launched a Rural Banking Advisory project with HBL in July 2013 to help develop new agri/rural products aimed at farmers and rural SMEs. This project is ongoing and is expected to improve access to finance in the rural finance market. In 2014, IFC launched another advisory project with HBL to help it position itself as a champion for women in the marketplace in Pakistan, both as an employer and as a bank for women. This project was successfully completed in June 2015 and led to HBL's launch of a sub-brand for women called "Nisa". In 2014, under the privatization program supported by the IMF, the Government of Pakistan (GOP) was looking to divest its shareholdings in the banking sector including the balance 41.5% shares in HBL, valued at over $1 billion. To facilitate the offering, GOP sought IFC's support to catalyze international investor interest. IFC brought in CDC Group to invest $121 million and IFC's name helped attract other international investors like Lazard, Templeton and Fidelity; which enabled the GOP to fully divest its stake in HBL in April 2015. The GOP offering was over-subscribed by 1.6 times with foreign investors participating with $750 million (75% of the offering); with the total issue closing at $1.02 billion making it the largest capital market transaction in Pakistan and in the Asian Frontier Markets at the time. IFC's participated in the HBL privatization process with an investment of $ 75 million for a 3.08% equity stake. During the same period IFC also provide a $150 million senior loan to HBL (including $86 million mobilization from the 'Managed Co-Lending Portfolio Program'); the "Loan" aiming to support HBL's domestic and international growth, while the equity helped the GOP to successfully complete its critical target of HBL's privatization. IFC's investment in HBL was the largest investment by IFC in Pakistan, including mobilization, which was processed in a record time of 36 days. Given HBL's outreach of more than 1,700 branches, IFC's investments in HBL are expected to have a transformational impact in an IDA country ranked 5th globally among financially excluded populations. It will help increase financial inclusion, SMEs and rural and agri finance, women owned businesses and sustainable energy financing (SEF). It would also support HBL's expansion in markets that are important for Pakistan for trade and remittances.

During 2017, IFC partially reduced its equity investment in HBL given that IFC's role to support the GOP's privatization was complete. IFC's shareholding in the Bank is currently 2.06%. In August 2017, the New York State Department of Financial Services (DFS), the main US supervisor and regulator of Habib Bank Limited's (HBL) New York branch, enforced a civil penalty of up to $630 million on account of violation of a compliance program that the HBL NY bank branch was under over the past few years. Subsequently a settlement has been reached between the DFS and HBL on a fine of $225 million. Furthermore, HBL will voluntarily be closing their NY branch on a gradual basis.

IMPACT/ KEY ACHIEVEMENTS:

- IFC's participation in the equity helped attract significant investor interest helping the largest equity offering by a Pakistani entity to be oversubscribed by 1.6x. IFC's support was critical amidst the security, political, and economic uncertainties in Pakistan.
- SME & Agri AS: HBL has disbursed 131,864 new SME loans since September 2011, amounting to $7.1 billion and opened 310,697 new SME deposit accounts with help from IFC SME AS (completed in June 2013). IFC Agri AS is expected to complete by Dec 2017. It has helped HBL disburse 42,784 new agri loans amounting to $183 million.
- As a result of IFC's Women Markets AS project that was completed in June 2015 and resulted in the launch of "Nisa", a HBL sub brand for women, HBL has already added 936,139 new deposit accounts for women and disbursed 23,569 consumer loans to female borrowers since January 2014.
- The GTFP trade facility helped HBL finance trade commitments of about $600 million since inception, supporting trade of essential commodities such as oil and gas, agricultural products, chemicals and others.
- HBL has developed a comprehensive environmental and social management system and has started implementing it across its portfolio. Given that HBL is the largest bank in the country this will have a demonstration effect and will help in making sustainable lending a sector-wide trend.

KEY PARTNERS:

- Habib Bank Limited, Aga Khan Fund for Economic Development (AKFED).

PAKISTAN: KAROT HYDRO

KEY DATES:

Approved: April 19, 2016
Effective: November 25, 2016
Invested: April 12, 2017

FINANCING (in million US Dollars) :

FINANCING SOURCE	COMMITTED
LOAN	100.00

BACKGROUND AND OBJECTIVES:

Karot Power Company Limited (KPCL) is a special purpose company dedicated for the construction, operation and maintenance of a 720 MW run-of-the-river hydropower plant being developed under a Build-Own-Operate-Transfer (BOOT) scheme on the Jhelum River in Pakistan. The project is the first hydropower IPP undertaken by China Three Gorges (CTG) in Pakistan under the China Three Gorges South Asia Investment (CSAIL) platform, an IFC investee company. It is expected to generate 2,970 GWh (net) annually and sell all its energy to the state-owned Central Power Purchasing Agency Guarantee Limited (CPPA-G), under a 30-year power purchase agreement. The base project cost, excluding contingencies, is $1,740 million, which will be funded by a debt-to-equity ratio of 80:20. IFC committed an A Loan of $100 million on November 25, 2016 and financial close was achieved on February 22, 2017. The remaining $1.3 billion debt is being provided by a consortium of Chinese lenders including the Export Import Bank of China (CEXIM), China Development Bank (CDB) and the Silk Road Fund (SRF). This is the largest hydropower and renewable energy project undertaken by IFC in its history. It is also the first hydro IPP to be financed by Chinese banks in the country. The project will:

- Set the precedent and help promote private sector investments in future large hydro IPPs
- Pave the way for financing of future hydro IPPs in Pakistan by Chinese banks, giving additional avenues of foreign currency financing to mitigate the pressure on Pakistan's exchange rate
- Establish international best practice standards for environmental and social systems as well as corporate governance and financial systems for similar future hydro projects
- Produce lower cost electricity by utilizing a cost-competitive, indigenous, renewable resource to help mitigate Pakistan's significant reliance on imported fuel for power generation
- Reduce the burden on two critical deficits: power deficit and sector financial deficit, both of which have significant negative spillovers on the country's economic growth and development

EXPECTED IMPACT/ RESULTS:

- Generate a total of c. 2,970 GWh of energy on an annual basis, thereby reducing the power supply deficit
- Provide access to electricity for approximately 3 million individual residential consumers
- Reduce GHG emissions of around 1.4 million tons of CO_2 equivalent per annum
- Create approximately 3,000 temporary jobs during construction and 80 permanent jobs during operations

KEY PARTNERS:

China Three Gorges, Export Import Bank of China, China Development Bank and Silk Road Fund

PAKISTAN: LARAIB ENERGY

KEY DATES:

Approved: January 30, 2009
Effective: November 5, 2009
Closing: December 29, 2009

FINANCING (in million US Dollars) :

Financing source	Committed
Loan	35.00

** As of June 30, 2017 revised amount after partial cancellation. For more information see the IFC Project Summary.*

BACKGROUND AND OBJECTIVES:

Laraib Energy Limited (LEL) is a special purpose company dedicated to develop, construct, operate and maintain the 84 MW run-of-the-river, New Bong Energy (NBE) hydro power plant in Azad Jammu and Kashmir state (AJ&K), 120 kilometers from Islamabad. The project is Pakistan's first private hydro independent power producer (IPP). It sells electricity to the Central Power Purchasing Agency (Guarantee) Limited (CPPA-G), the state-owned off-taker, under a 25-year power purchase agreement. The total project cost was $235.3 million funded with Hub Power Company Limited (Hubco) holding a 75.54 percent stake. The project started operating on March 23, 2013. In November 2009, IFC committed a $35 million loan that had a grace period of four years and final maturity in November 2024. The projects will help:

- Create a framework for hydro IPPs with strong demonstration effect
- Support economic growth through lower cost of generation and meeting incremental demand for power.
- Contribute to energy security of supply by increasing the installed capacity using a domestic renewable resource.
- Lower the average economic cost of power generation in Pakistan.
- Provide significant environmental benefits compared to alternative thermal power options in terms of displacing greenhouse gas emissions of up to 220, 000 tons of CO2 equivalent.
- Create jobs during the construction and operation phase.
- Reduce reliance on imported fuel oil, thereby improving the country's trade and current account deficits

KEY ACHIEVEMENTS:

- Creation of 470 temporary (construction phase) jobs in 2011 (target was 400);
- Creation of 162 direct jobs in 2015 (target was 60);
- Power Generation above target of 470 GWh per annum;
- Standards, procedures and contractual documents established in this project are being replicated in other hydro projects in Pakistan;
- Since this project, 3 new hydro projects have been undertaken by local and foreign investors alongside IFC

KEY PARTNERS:

Islamic Development Bank, Asia Development Bank, Proparco

PAKISTAN: LIGHTING PAKISTAN

KEY DATES:

Implementation: August 2014 – June 2020

FINANCING (in million US Dollars) :

	Committed*
IFC Advisory Services:	
Lighting Global/MENA	N/A

** as of June 30, 2017; revised amount after partial cancellation. For more information see the* IFC Project Summary.

BACKGROUND AND OBJECTIVES:

Pakistan is facing one of the most severe energy crisis in the world with 144 million people either off-grid or suffering on average over 12 hours of load shedding a day. Annually households spend an estimated $2.2 billion on battery powered torches, candles and kerosene lanterns for lighting. This crisis impairs Pakistan's capacity for economic growth and leaves families reliant on inefficient lighting solutions that account for an average of 13 percent of their household income.

Lighting Global was developed by the World Bank and IFC, as a platform to support sustainable growth of the international off-grid lighting market, as a means of increasing energy access to people not connected to grid electricity, or areas poorly served by the grid.

The Lighting Global program provides market insights, steers development of quality assurance frameworks for modern, off-grid lighting devices and systems, and promotes sustainability, in partnership with industry.

IFC and World Bank jointly manage off-grid lighting programs in more than 11 African countries through the Lighting Africa program. The success of Lighting Africa has inspired programs in India, Bangladesh, Papua New Guinea, Myanmar, Pakistan and Afghanistan.

Lighting Global supports Lighting Africa, Lighting Asia and Lighting Pacific, which work along the supply chain of off-grid lighting products and systems to reduce market entry barriers and first mover risks.

Lighting Pakistan works to promote the development of a sustainable, clean and modern solar lighting market in Pakistan targeting households, businesses and micro-enterprises that are unserved or underserved by the grid. The program aims to increase access to lighting and associated services to 1.5 million people through:

- Quality Verification: Working with manufacturers who meet the Lighting Global Minimum Quality Standards;
- Business Development: Providing B2B connections between manufacturers and distributors/financiers;
- Market Intelligence: In-depth research into the off-grid lighting market to support client investment decisions;
- Consumer Awareness: A two year consumer awareness campaign to help consumer differentiate between good quality and poor quality lighting products.

KEY IMPACT/ RESULTS:

- Number of Lighting Global Quality Certified Products Sold to date: 108,438
- Number of People with Access to Improved Services: 542,190
- GHG Emissions Reduced (t): 10,844

KEY PARTNERS:

Brighterlite, Ecoenergy, DLight, Greenlight Planet, Niwa, Renewit, Center of Information Technology

PAKISTAN: PAKISTAN WIND ENERGY PROJECTS

KEY DATES:

Projects	Approval Date	Signing Date
Zorlu Energy	May 20, 2011	September 22,2011
Metro Power	December 17, 2013	April 14, 2014
Gul Ahmed Wind Power	January 16, 2015	January 19, 2015
Dawood TGL	January 29, 2015	March 07, 2015
Triconboston Wind	April 21, 2017	May 12, 2017

FINANCING (in million US Dollars) :

Projects	Committed	
	Debt	Equity
Zorlu Energy	35.1	-
Metro Power	19.3	3.2
Gul Ahmed Wind Power	11.6	3.3
Dawood TGL	22.0	7.5
Triconboston Wind	66.0	
Total	154.0	14.0

**as of June 30, 2017; revised amount after partial cancellation. For more information see the IFC Project Summary.*

BACKGROUND AND OBJECTIVES:

IFC has taken a lead role in supporting private wind energy projects in Pakistan by investing in five wind projects for a total of 356 MW, including: (i) 56MW Zorlu Energy; (ii) 50MW Metro Power; (iii) 50 MW Gul Ahmed Wind (iv) 50 MW Dawood TGL; and (v) 150 MW Tricon Boston ("Wind Energy Projects"). These projects are being undertaken under the 2006 Policy for Development of Renewable Energy on a Build, Own and Operate ("BOO") basis. The power produced will be purchased by Central Power Purchasing Agency (Guarantee) Limited (CPPA-G), the state-owned off-taker, under a 20-year Energy Purchase Agreement ("EPA") and fed into the national grid. Government of Pakistan ("GoP") support in the form of sovereign guarantee for performance and payment obligations of CPPA-G are provided in the Implementation Agreement. Of the five projects, one project, Zorlu Energy, is operational since 2013, three others were commissioned in September and October 2016 (Metro, Gul Ahmed and Dawood TGL), while one project (Tricon Boston) has recently achieved financial close. IFC played an important role in mobilizing a total of $275 million debt from international financial institutions for these Wind Energy Projects. The Projects will:

- Help fill the significant power supply demand gap in Pakistan.
- Promote the use of renewable energy sources and contribute to the diversification of the existing generation mix by reducing the use of expensive imported oil and shifting towards a zero emission power.
- Promote energy efficiency and decrease GHG emission.
- Help mobilize funding by other DFIs to broaden the funding sources for this project as well as future wind projects.
- Support local banks to provide sustainable long-term financing for the development of renewable energy projects in Pakistan.

EXPECTED RESULTS

- Generate a total of around 1,080 GWh of energy on an annual basis, providing additional power supply and helping reduce the power deficit.
- Provide access to clean electricity for approximately 1.2 million people
- Reduce GHG emissions of around 500,000 tons of CO_2 equivalent per annum.
- Create approximately 300 permanent jobs during operations

KEY PARTNERS:

FMO, Proparco, OPIC, DEG, Asian Development Bank, Islamic Development Bank, Alfalah Bank and local commercial banks.

PAKISTAN: STAR HYDRO POWER LTD

KEY DATES:

Approved: September 8, 2011
Signed: December 13, 2011
MIGA Dates:
Approved: June 29, 2012
Signed: June 29, 2012

FINANCING (in million US Dollars) :

	Committed*	
Loan	60	Equity
MIGA Guarantee	149	-

** as of June 30, 2017; revised amount after partial cancellation. For more information see the* IFC Project Summary.

BACKGROUND AND OBJECTIVES:

Star Hydro Power Limited (SHPL) is a special purpose company for construction, operation and maintenance of a 147 MW run-of-the-river hydro power plant situated 120 km north of Islamabad, near the village of Patrind in the city of Muzaffarabad. SHPL will be the second hydropower IPP in Pakistan. It has an off-take agreement to sell electricity to the state-owned, Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) under a 30-year power purchase agreement. SHPL is 80 percent owned by Korea Water Resources Corporation (K-Water) and 20 percent by Daewoo Engineering and Construction Company Limited. The total project cost is approximately $436 million, including contingencies. In December 2011, IFC committed a $60 million 'A' loan that has a grace period of up to 66 months and final maturity of up to 17 years. In 2012, MIGA issued a guarantee for $148.5 million to cover an equity investment in SHPL by K-water, acting on behalf of itself and Daewoo, incorporated in Pakistan through KDS Hydro Private Limited of Singapore. The project will:

- Help increase much needed generation capacity using a domestic renewable resource, thereby increasing security of energy supply; Ease the severe energy demand-supply deficit in the country and the resulting drag of power shortages on economic growth;
- Help diversify the generation mix away from thermal power and contribute to lowering the average economic cost of power generation in Pakistan;
- Provide significant climate change and environmental benefits compared to alternative thermal power options in terms of displacing greenhouse gas emissions;
- Create jobs during the project construction and operating phase;
- Reduce reliance on imported fuel oil and help to offset trade and current account deficits.

By providing long-term guarantees to a much-needed infrastructure project, MIGA will play an important role in the overall project financing at a time when international commercial insurers are not open to long term guarantees in Pakistan.

IMPACT/ RESULTS:

- Provision of clean power for 310,000 customers by 2018.
- Economic rate of return of 17 percent.
- Reduction in greenhouse gas emissions of about 280,000 tons of CO2 a year.

KEY PARTNERS:

Korea-Exim, Asian Development Bank, and Islamic Development Bank.