

ASIAN DEVELOPMENT BANK

CSP: PAK 2004-17

**COUNTRY STRATEGY AND PROGRAM UPDATE
2005-2006**

PAKISTAN

September 2004

CURRENCY EQUIVALENTS

(as of 30 September 2004)

Currency Unit	–	Pakistan rupee/s (PRe/PRs)
PRe1.00	=	\$0.0169
\$1.00	=	PRs59.19

The exchange rate of Pakistan rupee is determined under a system of managed float.

ABBREVIATIONS

ADF	–	Asian Development Fund
AJP	–	Access to Justice Program
BRMP	–	Balochistan Resource Management Program
CPMU	–	core project management unit
CSP	–	country strategy and program
CSPU	–	country strategy and program update
DSP	–	Decentralization Support Program
DSSP	–	Devolved Social Services Program
GDP	–	gross domestic product
GRAP	–	gender reform action plan
IDTA	–	institutional development technical assistance
IMF	–	International Monetary Fund
INGAD	–	Interagency Gender and Development group
LGO	–	Local Government Ordinance
LFO	–	Legal Framework Order
MDGs	–	Millennium Development Goals
OCR	–	ordinary capital resources
PIHS	–	Pakistan Integrated Household Survey
PPA	–	poverty partnership agreement
PPP	–	public-private partnership
PPRM	–	Provincial Portfolio Review Meetings
PPTA	–	project preparatory technical assistance
PRF	–	Poverty Reduction Cooperation Fund
PRGF	–	Poverty Reduction and Growth Facility
PRMP	–	Punjab Resource Management program
PRSP	–	poverty reduction strategy paper
PSDP	–	Public Sector Development Program
RETA	–	regional technical assistance
RMP	–	resource management program
SAARC	–	South Asian Association for Regional Cooperation
TAP	–	Turkmenistan-Afghanistan-Pakistan Gas Pipeline Project
USAID	–	United States Agency for International Development

NOTES

- (i) The fiscal year (FY) of the government ends on 30 June.
- (ii) In this report, "\$" refers to US dollars.

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I. CURRENT DEVELOPMENT TRENDS AND ISSUES

A. Recent Political Developments

1. With the passing of the 17th Constitutional Amendment by Parliament in December 2003, the prolonged standoff on the issue of the Legal Framework Order (LFO)¹ came to an end. President Pervez Musharraf won a vote of confidence on 1 January 2004 from the electoral college (comprising members of the National Assembly, Senate, and the four provincial assemblies) which confirmed him as President for a 5-year term beginning 30 April 2002. On 26 June 2004, Zafarullah Khan Jamali resigned as prime minister and Chaudhry Shujaat Hussain, the president of the Pakistan Muslim League, became the interim prime minister on 30 June 2004. Shaukat Aziz, following his election to the National Assembly, was sworn in as the new prime minister on 28 August 2004.

2. Various confidence-building measures have been announced by Pakistan and India, including a ceasefire along the Line of Control and the restoration of road, rail, and air links from January 2004. In July 2004, the foreign ministers of the two countries met in Islamabad and discussed various issues and confidence-building measures. Since then, high-level talks have taken place on a broad range of topics, including trade. The next round of meetings of the foreign ministers is scheduled to take place in New Delhi in September 2004.

B. Economic Assessment and Outlook

3. Pakistan's economic performance continued to improve, and the macroeconomic fundamentals are better than at any time in the past decade. In FY2004, gross domestic product (GDP) grew 6.4% compared with 5.1% in FY2003 (Appendix 1, Table A1.2). A major contributor to overall economic growth was manufacturing, which grew 13.4%. The fiscal deficit fell to 3.3% of GDP in FY2004. There was robust growth in exports (10%) as well as a high level of remittances of \$3.9 billion in FY2004. Imports expanded rapidly, however, and the current account surplus fell to \$1.6 billion, compared to \$4.1 billion in FY2003. This was the fourth consecutive year of surplus on the balance of payments, and as a result foreign exchange reserves at the State Bank of Pakistan increased to \$10.6 billion (that is, more than 10 months of imports). In June 2004, the International Monetary Fund (IMF) completed its eighth review of Pakistan's performance under the 3-year Poverty Reduction Growth Facility (PRGF) and released \$253 million.

4. The medium-term prospects for Pakistan's economy continue to improve. The finance minister in his budget speech in June 2004 set out the government's vision for attaining 8% economic growth in the medium term. This growth target is ambitious—but not impossible—provided that risks are appropriately managed. Risks include (i) complacency in economic management because of the relatively comfortable macroeconomic situation and the ending of the PRGF in December 2004; (ii) lack of progress on second-generation reforms, particularly to tax administration and promoting the private sector; (iii) failure to address weaknesses in implementation capacity, resulting in low utilization of the Public Sector Development Program (PSDP); (iv) inefficient delivery of basic services; and (v) internal security concerns as a fall-out of the ongoing government's actions against terrorist groups. In its dialogue with development partners, the government has committed that macroeconomic stability, along with progress on

¹ The Legal Framework Order (LFO) incorporated a series of constitutional amendments that president Pervez Musharraf announced in August 2002. Opposition parties disagreed with several of these amendments.

reforms, will be maintained. The government has also committed to give priority to addressing capacity and implementation issues. Both of these commitments were reiterated in the budget speech of the finance minister.

C. Implications for Country Strategy and Program

5. The country strategy and program (CSP), approved in May 2002, aims to support poverty reduction in Pakistan through specific interventions in the following three areas: (i) supporting good governance (devolution, legal, judicial, and police reforms, as well as sector- and province-based reforms); (ii) sustainable, pro-poor growth (infrastructure, rural development, and employment generation); and (iii) inclusive social development (education, health, water supply and sanitation, and social protection).

6. The Asian Development Bank's (ADB) country strategy and program needs to effectively respond to the government's increased emphasis on higher and sustained pro-poor growth. In this context, the two important operational considerations for the CSP are (i) the priority that the government accords to developing economic infrastructure as an engine for higher growth and poverty reduction in the medium-term; and (ii) the government's decision, as part of its debt management strategy, to borrow ordinary capital resources (OCR) only for priority infrastructure projects and provincial resource management programs (RMPs).²

7. ADB will support this shift in emphasis toward higher sustained growth to ensure that the benefits of the ongoing structural reforms reach the poor. This is important not only for poverty reduction, but also to ensure continuity of reform. For this purpose, ADB will redirect its OCR lending towards infrastructure projects that would have the greatest impact on growth and poverty reduction. The priority in this regard will be on rehabilitating existing infrastructure in irrigation, roads, and urban centers, as well as addressing critical gaps in the power sector. ADB will also facilitate public-private partnerships (PPPs) for infrastructure development through a combination of Asian Development Fund (ADF)/OCR loan and risk-mitigating guarantee products. ADF assistance will also be provided for agribusiness and rural development projects to alleviate poverty, generate income, and create employment.

8. The increased lending for infrastructure will not in any way dilute ADB's strategic focus on social sectors. However, the approach will be to achieve increased allocations for social sectors as a result of policy dialogue and enhanced fiscal space through the provincial RMPs and Devolved Social Services Programs (DSSPs)³. Since the increased allocations will be part of the Government budget, this will result in sustainable increased spending in the social sectors. In Punjab, expenditure on education and health increased by about 40% and 28% respectively in the first three quarters of FY2004 compared to the same period in FY2003⁴. For Pakistan as a whole, education expenditure increased by about 30% and health expenditure by 27% during this period. Besides support for increased allocations for social sector development, ADB will continue to provide assistance for capacity building and institutional strengthening of local governments for efficient and effective delivery of social services.

² The government would continue to borrow Asian Development Fund (ADF) resources for capacity-building initiatives and social sector projects.

³ The World Bank is following a similar approach through its provincial Structural Adjustment Credits and sector reform programs, and as a result, all four provinces will be committed to increasing social sector spending significantly over the PRSP period.

⁴ The Punjab Resource Management Program (PRMP) was approved in 2003, and the Balochistan Resource Management Program (BRMP) is included in the 2004 program.

9. ADB's strategic focus on governance will continue. Under this focus—in addition to the ongoing governance reform programs including the Access to Justice Program (AJP), the Decentralization Support Program (DSP), and the Punjab Resource Management Program (PRMP)—further support would be provided on a sustained basis for second-generation reforms at the province and sector levels. Given the government's decision to restrict OCR borrowing for policy-based operations, smaller ADF loans and technical assistance (TA) loans will be used to support policy and institutional reforms. ADB will mainstream governance as a crosscutting theme in all project interventions at the sector level. While this is already happening—most prominently in the social sectors through the provincial DSSPs—the specific governance focus on other sectors will be strengthened. At the same time, capacity enhancement and increased access to resources for local governments would be continually supported. There will be continued strong focus on gender with a focus on effective implementation of the gender reform action plans (GRAPs) prepared by the federal and provincial governments with ADB assistance.

10. To achieve greater development effectiveness and results, there will be an enhanced focus on capacity building. It will also be important to develop or update sector strategies, establish sector priorities, and prepare a prioritized pipeline of economically viable projects. To address these issues, a programmatic approach is proposed for capacity building, sector analysis, and project preparation. A TA loan has been included in the assistance pipeline to operationalize this approach in the infrastructure sector. It will have three components: water, energy, and transport and communication. Similar TA loans have been included for urban renewal and rural modernization; these areas were identified as priorities in the finance minister's budget speech in June 2004. The focus of the TA loan for urban renewal is on developing a strategic vision and action plans for development of megacities, and capacity building of city governments. The TA loan on rural modernization will develop a holistic and integrated vision and strategies for rural modernization and frameworks for improving rural livelihoods.

11. Given the constraints on public sector resources and capacity, the private sector needs to play an important and growing role in infrastructure development to realize Pakistan's vision for higher growth. To support private sector development strategy in infrastructure development, ADB will provide assistance for (i) the development of a strategy to determine the role of the private sector in the financing, construction, operating and maintaining of infrastructure through the formation of PPPs; (ii) the creation of policy, regulatory and institutional frameworks to support such PPPs; and (iii) the development of pilot partnership models for specific projects. In addition, ADB would explore the use of OCR lending against GOP guarantees, risk mitigation guarantees, swaps, and other products that support availability of long-term private sector financing for infrastructure projects. Finally, under its private sector development strategy, ADB will continue to provide direct assistance to private sector entities through investments, lending, and guarantees, principally for projects in power, water, transport, and oil and gas sectors.

12. If India-Pakistan relations continue to improve, it will present a major opportunity to enhance subregional cooperation in trade, commerce, and other areas, which would contribute to higher growth rates and reduction in poverty among all member countries of the South Asian Association for Regional Cooperation (SAARC). In addition to exploring possibilities of supporting subregional cooperation in SAARC countries, ADB will continue to support several ongoing and proposed regional initiatives to strengthen Pakistan's cooperation prospects with Afghanistan and Central Asia.

II. IMPLEMENTATION OF THE COUNTRY STRATEGY AND PROGRAM

A. Progress in Poverty Reduction

13. Pakistan and ADB signed a poverty partnership agreement (PPA) on 16 September 2002. Progress indicators in PPA are generally in line with the performance targets under the poverty reduction strategy paper (PRSP), which was finalized and published in December 2003. The provincial PRSPs have also been prepared. The government's commitment to poverty reduction is indicated by the increasing trend in pro-poor public-sector expenditure as targeted in the PRSP. Pro-poor expenditure increased from 3.8% of GDP in FY2002 to 4.3% in FY2003, and is likely to further increase to over 5% in FY2004. The main data for assessing performance on poverty reduction and human development indicators included in the PPA and the PRSP—as well as achievements under the Millennium Development Goals (MDGs)—is the Pakistan Integrated Household Survey (PIHS). However, the last PIHS survey available is for FY2002, while the next survey is planned for FY2005. Assessing present status progress in any of these areas is difficult. However, a recent government progress report shows progress on the MDGs, including education, health, and water supply access indicators, but the progress has to be accelerated to achieve the MDG targets. (Appendix 1, Table A1.1, and Table A1.3).

B. Progress in the Country Strategy and Program Focus Areas

14. **Good Governance.** As a result of the 17th constitutional amendment, a durable legal status has been provided for governance reforms introduced during the three years before the national elections in October 2002. Of particular relevance is the protection given to devolution by insertion of the Local Government Ordinance (LGO) in the constitution. This has reinforced the main focus of DSP, which includes: intergovernmental fiscal reforms; development of local governments' administrative, political, and financial capacities; and the capacity of civil society to work with local governments for service provision, political participation, and accountability.

15. During April 2004, the government announced that outstanding disagreements with provincial governments on the Police Order of 2002 had been resolved. While this will catalyze the police and prosecution service reforms being promoted under the AJP, the possibility of increased political interference in policing operations at the district and provincial levels is a concern. Recognizing that the implementation of governance reforms depends on creating a broad-based constituency of support and consensus among government ministries and civil society, ADB will continue to promote the creation of coalitions in civil society and their dialogue with government, particularly in the context of devolution, gender, and access to justice.

16. Of particular note is progress with respect to the GRAPs. The Punjab and Balochistan provincial governments have approved their GRAPs, and approvals are expected from the federal government and the governments of Sindh and NWFP. These approvals will trigger effectivity of a \$7 million TA loan entitled Gender and Governance Mainstreaming as part of the DSP. Notably, the significance attached by the government and ADB to GRAP implementation is demonstrated by the fact that this will feature as a policy achievement in four ADB policy loans in Punjab, Sindh, and Balochistan.

17. However, progress on governance and ADB-supported institutional reforms, particularly in agriculture and public utilities was slow and at times subject to reversal. ADB continued to engage the government in an extensive policy dialogue to expedite reforms in these sectors and to encourage all provinces to participate in reforms led by the federal government.

18. **Rural Development.** Because of high levels of rural poverty, the government continued to prioritize investments in rural development, with public-sector expenditure in this sector increasing 48.3% in FY2003. Initial implementation of ADB-assisted rural development projects including the DG Khan, Bahawalpur, Malakand, NWFP *Barani* (rain-fed), and Sindh rural projects was affected by start-up delays, significant progress has since then been made on most of the projects. At the same time, progress continued to be made on the ongoing ADB-assisted microfinance and rural finance programs to provide increased access to farm and off-farm income and employment opportunities for the rural poor.

19. **Inclusive Social Development.** Delivery of social services, now mandated to local governments, shows promising signs of improvement. A study carried out jointly by ADB, World Bank and bilateral donors in 2003 examined the impact of devolution on service delivery. ADB has reaffirmed its commitment to align its social sector support as much as possible with devolved systems, in line with the study's recommendations. The DSSPs proposed for Punjab, Balochistan, and NWFP will be designed to ensure effective and equitable distribution of resources to local governments, consistent with differential needs and performance.

20. **Regional Cooperation.** While security issues remain a concern, the improved political situation in Afghanistan offers new opportunities for cooperation with countries to the west. ADB assistance to facilitate subregional cooperation is focusing on two sectors: transportation and energy. In transportation, ADB has proposed projects that will connect Karachi Port and the upcoming deep sea port of Gwadar through improved road networks in Balochistan and NWFP to Afghanistan and Central Asia. In mid-2003, ADB organized a Ministerial Conference on Transport and Trade in Central and South Asia, and approved a regional technical assistance (RETA) grant to promote transport and trade between the two subregions. A major energy-sector initiative is the Turkmenistan-Afghanistan-Pakistan (TAP) Gas Pipeline Project, for which a feasibility study is nearing completion under two ADB RETAs. Against the background of improving India-Pakistan relations, ADB is processing another RETA in 2004 to promote South Asian regional economic cooperation by enhancing the capacity of the SAARC secretariat and member states for regional cooperation work in priority areas.

C. Highlights in Coordination of External Funding and Partnership Arrangements

21. ADB continued to strengthen its partnership and coordination with development partners (details of their assistance to Pakistan is in Appendix 1, Table A1.5), and actively pursued cofinancing possibilities with them. Several development partners provided cofinancing grants in 2003. The governments of the United Kingdom, Netherlands, and Canada provided \$2.149 million in cofinancing for Support for Implementation of Decentralization II. The government of the Netherlands also provided \$440,000 for the Supplementary TA for Access to Justice and cofinancing of \$250,000 for the project preparatory technical assistance (PPTA) for Balochistan Resource Management Program. The United States Agency for International Development (USAID) provided \$7 million in grant assistance to the Khushalibank, set up under the Microfinance Sector Development Program, for it to expand its microfinance operations to Balochistan. USAID also committed \$4.5 million to construct a cross-border facility at Chaman under the Balochistan Road Development Sector Project. During 2004, the government of the Netherlands has expressed interest in cofinancing the TA loan under the proposed BRMP. The government of the United Kingdom has expressed interest in providing cofinancing support for the proposed Punjab DSSP. The government of Canada will provide \$3.1 million, and the government of the United Kingdom's Poverty Reduction Cooperation Fund (PRF) \$800,000, for the TA on Support for GRAP Implementation. The government of the United Kingdom, also through PRF, will provide \$900,000 for the TA on Implementation of Police Reforms in Punjab.

In conjunction with its lending program, ADB will continue to actively pursue cofinancing from official sources to effectively address the important thematic priorities for ADB operations in Pakistan. The Organization of Petroleum Exporting Countries (OPEC) Fund for International Development has expressed interest in cofinancing either the Balochistan Rural Development Project or the Sindh Basic Urban Services Project for up to \$15.0 million. ADB will maintain its dialogue with the government to identify appropriate cofinancing for the projects, which it supports during 2005-2006, including both official and commercial cofinancing opportunities.

22. Effective coordination with the main multilateral and bilateral donors was ensured through consultative meetings organized during the country programming mission, as well as through coordination meetings on specific operations. ADB also organized a brainstorming session on how to improve coordination among development partners. Periodic donor coordination meetings are now being organized, and attended by heads of mission. ADB has also initiated the formulation of a Donors' Poverty Reduction Working Group. During 2003, ADB chaired meetings of the Donors' Governance Forum and participated in monthly meetings of the Inter agency Gender and Development Group (INGAD). ADB also regularly participated in donor coordination groups for forestry, environment, and education, in addition to being involved with donor dialogue groups on agriculture and microfinance. Finally, ADB, along with other donors, participated in the quarterly donor coordination meetings organized by the government and chaired by the federal minister for finance and economic affairs.

III. PORTFOLIO MANAGEMENT ISSUES

A. Portfolio Performance

23. As of 31 December 2003, ADB had approved a total of 202 loans for Pakistan for a principal amount of \$12.45 billion. ADB had also provided support for 271 TA projects for an approved amount of \$114.8 million. ADB's cofinancing activities in Pakistan include \$699 million of commercial cofinancing, \$247 million of export credit-related cofinancing, and more recently, political risk guarantees have been issued in the amount of \$475 million and a partial credit guarantee has been approved for \$65 million. As of 31 December 2003, 56 public sector loans covering 38 projects were under implementation, of which 83% loans are rated satisfactory (Appendix 1, Table A1.9). Also under implementation were 60 TAs worth a total of \$33.6 million.

24. Contract awards for ADB projects in Pakistan have averaged \$410 million annually over the past 5 years. Overall disbursements have averaged \$496 million annually during the same period, of which disbursements for policy-based operations have averaged \$244 million. In 2003, the actual contract awards amounted to \$501 million or 127% of the annual projection, and disbursements to \$466 million or 133% of the annual projection. Some portfolio indicators showed a decline in 2003. The overall contract-award ratio of 13.9% in 2003 (9.4% for project loans) was marginally lower than the ratio in 2002 (14.1%), but the contract-award ratio for project loans showed significant improvement from last year (6.6%). The contract-award ratio in 2003 was also lower than the corresponding ADB-wide average ratio of 17.3% (14.6% for project loans). The disbursement ratio of 16.5% in 2003 (8.6% for project loans) was lower than that for 2002 (23.2% overall and 13.7% for project loans) as well as the ADB-wide average of 20.2% (17.1% for project loans) (Appendix 1, Table A1.7). The number of loans at risk increased to 10 compared with 9 loans of 2002⁵ (Appendix 1, Tables A1.6 and A1.9).

⁵ In January 2004, the government prepaid fourteen Asian Development Bank (ADB) loans of which 2 were loans at risk. If these two loans are excluded, the number of loans at risk decreases to eight.

B. Performance Monitoring and Evaluation

25. The low contract-award and disbursement ratios noted above are partly a result of the weight of the large number of new loans (35) included in the portfolio during 2001-2003. However, these are also a consequence of start-up delays in project implementation and, along with the increase in the number of projects at risk, indicate that project implementation capacity in Pakistan needs to be strengthened. The 2003 country portfolio review mission identified both short- and medium/longer-term actions to improve portfolio performance. The short-term measures included minimizing turnover of project directors and staff; closing loan accounts of seven loans; and improving contract award, disbursement, and imprest account turnover ratios. The medium/longer-term measures included executing agencies' establishing core project management units (CPMU) before ADB processes loans, training PMU staff in ADB procedures through workshops, operationalizing new imprest account procedures, introducing financial management systems in PMUs, and strengthening monitoring and evaluation procedures.

26. To intensify project implementation efforts, PRM continued with the provincial portfolio review meetings (PPRMs) that were initiated in 2001. Agreements were reached in these meetings with the government on timebound action plans to resolve issues including staffing of PMUs, timely action on procurement and award of contracts, release of counterpart funds, early operationalization of facilities constructed under projects, outstanding audit issues, and timely closure of loan accounts. During 2003, PRM conducted five workshops on portfolio management and project implementation for executing agencies and project directors. The other initiatives to enhance the government's capability include TAs entitled (i) Strengthening Portfolio Performance and Monitoring and (ii) Improving Financial Management Capacities of Project Management Units.

27. The Operations Evaluation Division has carried out four evaluations since CSP approval. In August 2002, evaluation of the Second *Barani* Area Development Project found the project partly successful. In January 2003, evaluation of the Selected Advisory Technical Assistance for Capital Market Development in Pakistan rated the cluster of six TAs successful. Also in 2003, the Population Project was rated as successful, but the Livestock Development Project was found to be unsuccessful.

IV. COUNTRY PERFORMANCE AND ASSISTANCE LEVELS

A. Lending Level Proposed

28. The proposed lending program for 2005-2006 is \$1.96 billion for 23 firm loans, including 4 TA loans (Appendix 1, Table A1.10). This is somewhat higher than the \$1.72 billion for 17 loans for the same period proposed in the CSPU approved in 2003, but is consistent with the continued improvement in Pakistan's debt absorption capacity (external debt and liabilities as percentage of GDP declined from 51% in FY2002 to 43% in FY2003, and had reduced further to 38% in the first 9 months of FY2004). In view of the government's new borrowing strategy, OCR loans have been proposed only for infrastructure sector projects and provincial RMPs. Social sector projects and direct poverty reduction projects, including rural development, are proposed to be fully financed through ADF, as are the TA loans for sector analysis, capacity building, and project preparation. The ADF amounts shown are indicative, and the actual allocation will depend on the revised performance-based allocation policy, expected to be finalized later in 2004. Concept papers for lending products are in Appendix 2.

29. Infrastructure projects to be supported under ADB's assistance would be those that are already included in the government's public sector development program and for which preliminary feasibility work was already complete. This will reduce project preparation time, ensure greater government ownership, and reduce delays in project startup following approval. ADB support for infrastructure projects would be subject to compliance with its safeguard and other sectoral policies, as well as consideration of governance and institutional concerns in project formulation. Support for any additional project preparation would be provided as necessary through TA loans and PPTAs included in the assistance program.

B. Nonlending Program

30. The currently identified nonlending program for Pakistan amounts to \$10.7 million for 34 projects during 2005-2006 (Appendix 1, Table A1.11). The nonlending program—operationalized through project preparatory and advisory TA as well as economic, sector, and thematic work—will support ADB's lending assistance to Pakistan, enhance development effectiveness, and assist in capacity building and institutional strengthening. Concept papers for nonlending products are in Appendix 3.

C. Summary of Changes to Lending and Nonlending Programs

31. For reference, the 2004 assistance programs for lending products and for nonlending products and services are provided in Appendixes A4.1 and A4.2, respectively. A number of changes have been made from the CSPU (2004-2006) assistance pipeline in line with the adjustments in the country strategy and the government's new borrowing policy. The pipeline for infrastructure projects has been strengthened through new projects in transport and communication (including subregional cooperation), energy, and urban renewal and development. A Multisector Rehabilitation Project for Azad Jammu and Kashmir has also been included in 2004. The Cleaner Fuel Project has been dropped from 2004 after the government indicated that it was not prepared to borrow OCR for the project. Three new TA loans have been included in 2005 for capacity building, sector analysis, and project preparation to strengthen the emphasis on development effectiveness. The Trade, Export Promotion, and Industry Program II, which was a standby loan in 2006, has been dropped following the government's decision to not take OCR for policy-based operations other than the provincial RMPs.

32. Rural development and social sector projects (para. 28), as well as governance programs except for the provincial public resource management programs, are proposed to be financed fully through ADF and not the ADF/OCR mix described in the CSPU. This has necessitated changes in the total loan amounts for these projects/programs, as well as deferring some of them, given the constraint on total ADF availability for Pakistan. Small ADF anchor loans have been included in 2005 for the Agribusiness Development Project (deferred to 2005 from 2004), and the Public-Private Infrastructure Financing Facility in 2005⁶. A small TA loan for the FATA Governance program loan (deferred to 2006 from 2005) has been included in 2005 to build capacity and institutions for governance reform. The Family Protection Project scheduled for 2005, and its PPTA scheduled for 2004, have been dropped because of weak government ownership. Details of changes to the lending pipeline are in Appendix A5.1. The PPTA schedule has been adjusted in line with the revised assistance program, and their amounts revised in line with the planned overall availability of TA funds. IDTA amounts have also been accordingly revised, and new IDTAs added to strengthen the focus on development effectiveness.

⁶ It is proposed that the Asian Development Bank (ADB) will facilitate supplementary financing for these projects through providing risk mitigating guarantees, swaps, and other products.

COUNTRY AND PORTFOLIO INDICATORS, AND ASSISTANCE PIPELINE

Table A1.1: Progress Toward the Millennium Development Goals and Targets

<p>Goal 1: Eradicate Extreme Poverty and Hunger Target 1: Halve, between 1990 and 2015, the proportion of people whose income is less than \$1/day.</p> <p>Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger.</p>	<p>Percentage of population living below the official poverty line is estimated to have increased from 26.1% in 1990/91 to 32.1% in 2000/01. The target for the 2005/06 is to reduce poverty incidence to 29%. Although there is some recent evidence that poverty may be declining, meeting the Millennium Development Goal (MDG) will be difficult.</p> <p>Incidence of malnutrition, stunting (age/height) among children under 5 years of age fell marginally from 40% in 1990 to 37% in 2001/02.</p> <p>The proportion of the population below the minimum level of dietary energy consumption (less than 2150 calories per day of food intake) increased from 23.3% in 1988/89 to 32.6% in 2001/02.</p> <p>While the incidence of child malnutrition is declining, it seems unlikely that the MDG target will be met.</p>
<p>Goal 2: Achieve Universal Primary Education Target 3: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.</p>	<p>The net primary enrolment rate increased from 46% in 1990/91 to 66% in 2001/02.</p> <p>The literacy rate increased from 49% in 1990/91 to 54% in 2001/02.</p> <p>The proportion of children starting grade 1 who reach grade 5 increased from 83% in 1990/91 to 87% in 2000/01.</p> <p>Improvements in the net primary enrollment rate, as well as the proportion of children reaching grade 5, will have to be sustained and enhanced to meet the MDG for universal primary education.</p>
<p>Goal 3: Promote Gender Equality and Empower Women Target 4: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015.</p>	<p>The ratio of girls to boys in primary education improved from 51% to 72% during 1990/91 and 2001/02.</p> <p>The ratio of girls to boys in secondary education improved from 42% in 1990/91 to 64% in 2001/02.</p> <p>The ratio of girls to boys in tertiary education increased from 46% in 1990/91 to 78% in 2001/02.</p> <p>The ratio of literate females to males improved from 61% in 1990/91 to 65% in 2001/02.</p> <p>Significant progress appears to have been made in promoting gender equality in education, although much more time will be required to achieve the MDG in this regard.</p>

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<p>Goals 4: Reduce Child Mortality Target 5: Reduce by two thirds, between 1990 and 2015, the under-5 mortality rate.</p>	<p>The under-5 mortality rate declined from 140 per 1000 in 1990/91 to 105 per 1000 in 2001/2002.</p> <p>The infant mortality rate declined from 120 per 1,000 in 1990/91 to 77 per 1,000 in 2001/02.</p> <p>The proportion of children fully immunized (12-23 months old) doubled from 25% in 1990/91 to 53% in 2000/02.</p> <p>The proportion of children aged 1 year old who have been immunized against measles was 57% in 2000/01. The baseline figure for 1990/91 is not available.</p> <p>Considerable progress has been made in improving under-5 and infant mortality. This progress will need to be sustained to meet the MDG.</p>
<p>Goal 5: Improve Maternal Health Target 6: Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio.</p>	<p>The maternal mortality ratio declined from 550 per 100,000 live births in 1990/91 to 350 per 100,000 live births in 2001/02.</p> <p>The proportion of births attended by skilled health personnel increased from 18% in 1990/91 to 24% in 2000/01.</p> <p>The contraceptive prevalence rate improved from 12% in 1990/91 to 30% in 2001/02.</p> <p>Total fertility rate declined from 5.4 in 1990/91 to 4.1 in 2001/02.</p> <p>The proportion of births attended by skilled health personnel will need to be significantly enhanced, and the total fertility rate further reduced, if the MDG is to be met.</p>
<p>Goal 6: Combat HIV/AIDS, Malaria, and Other Diseases Target 7: Have halted by 2015, and begin to reverse the spread of human immunodeficiency virus/ acquired immunodeficiency syndrome (HIV/AIDS).</p> <p>Target 8: Have halted by 2015, and begun to reverse, the incidence of malaria and other major diseases.</p>	<p>Data not currently available.</p> <p>In 2001/02, 20% of population living in 19 high risk districts of Pakistan had access to, and were using, effective malaria treatment. The baseline figure for 1990/91 is not available.</p> <p>The incidence of tuberculosis was 177 per 100,000 in 2001/02. The baseline figure for 1990/91 is not available.</p> <p>The proportion of population with access to effective malaria control treatment will need to be substantially increased for meeting the MDG target. Similarly, the incidence of tuberculosis remains very high and will need to be brought down expeditiously.</p>
<p>Goal 7: Ensure Environmental Sustainability Target 9: Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources.</p> <p>Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water.</p>	<p>The proportion of land area covered by forest remained at 4.8% from 1990/91 to 2001/02.</p> <p>The percentage of the population with access to clean drinking water increased from 82% in 1990/91 to 86% in 2001/02.</p>

<p>Target 11: By 2020, achieve a significant improvement in the lives of at least 100 million slum dwellers.</p>	<p>The percentage of population with access to improved sanitation was 28% in 2001/02. The baseline figure for 1990/91 is not available.</p> <p>There were 50,000 beneficiaries of regularized <i>katchi abadis</i> (slum settlements) in 2001/02. The baseline figure for 1990/91 is not available.</p> <p>Despite some improvement, the broader picture on ensuring environmental sustainability is mixed. The MDG target for access to safe drinking water is, however, likely to be achieved.</p>
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Sources: Government of Pakistan (Planning Commission) and UNDP.2004. *Pakistan Millennium Development Goals Progress Report, Draft Final Report*. Islamabad; Government of Pakistan. 2003. *Accelerating Economic Growth and Reducing Poverty: The Road Ahead, Poverty Reduction Strategy Paper*. Islamabad; Department for International Development. 2004. *Pakistan's Progress Towards Meeting the Millennium Development Goals*.

Table A1.3: Country Poverty and Social Indicators

Item	1990	1999	Latest Years
A. Population Indicators			
1. Total Population (million)	109.42	133	149.0 (2003/04)
2. Annual Population Growth Rate (% change)	3.0	2.3	1.9 (2003/04)
B. Social Indicators			
1. Total Fertility Rate (births/woman)	5.4 (1990/91)	—	4.1 (2001/02)
2. Maternal Mortality Ratio (per 100,000 live births)	550 (1990/91)	—	350 (2001-2002)
3. Infant Mortality Rate (below 1 year/1,000 live births)	120 (1990/91)	—	77 (2001/02)
4. Life Expectancy at Birth (years)	—	62.9	64 (2002)
Female	—	59.5	63 (2002)
Male	—	59.8	65 (2002)
5. Literacy rate of 15-24 years old (%)	49 (1990/91)	—	54 (2001/02)
6. Primary School Net Enrollment (%)	46 (1990/91)	—	66 (2001/02)
7. Population with Access to Safe Water (%)	82 (1990/91)	—	86 (2001/02)
8. Population with Access to Sanitation (%)	—	—	28 (2001-02)
9. Public Education Expenditure (% of GNP)	2.2	2.2	1.7 (2002/03)
10. Public Health Expenditure (% of GNP)	0.8	0.7	0.8 (2003/04)
11. Human Development Index Rank	0.444	0.498	0.497 (2002)
12. Gender-Related Development Index Rank	—	127/162	142/177 (2002)
		0.466	0.468
C. Poverty Indicators			
1. Official Poverty Line at 2,350 Calorie Intake per Adult equivalent per day	26.8 (1992/93)	30.6 ^a	32.1 (2000/01)
2. Poverty Line at 2,550 Calorie Intake per Adult (equivalent per day)	26.6 ^b (1992/93)	32.2 ^b / 30.4 ^c	35.6 ^c (2000/01)
Rural	28.9 ^b (1992/93)	36.3 ^b / 32.1 ^c	41.0 ^c (2000/01)
Urban	20.7 ^b (1992/93)	22.4 ^b / 26.4 ^c	26.5 ^c (2000/01)
Balochistan	28.6 ^b (1992/93)	22.8 ^b / 29.6 ^c	39.1 ^c (2000/01)
Rural	28.1 ^b (1992/93)	22.5 ^b / 29.3 ^c	43.7 ^c (2000/01)
Urban	31.8 ^b (1992/93)	24.3 ^b / 31.7 ^c	29.5 ^c (2000/01)
North-West Frontier Province	35.5 ^b (1992/93)	42.6 ^b / 45.6 ^c	39.8 ^c (2000/01)
Rural	37.0 ^b (1992/93)	44.9 ^b / 47.6 ^c	43.9 ^c (2000/01)
Urban	25.3 ^b (1992/93)	29.2 ^b / 33.9 ^c	30.6 ^c (2000/01)
Punjab	25.2 ^b (1992/93)	33.0 ^b / 27.5 ^c	29.8 ^c (2000/01)
Rural	26.5 ^b (1992/93)	36.0 ^b / 28.0 ^c	33.8 ^c (2000/01)
Urban	22.0 ^b (1992/93)	25.5 ^b / 26.1 ^c	24.1 ^c (2000/01)
Sindh	24.1 ^b (1992/93)	26.6 ^b / 28.6 ^c	39.1 ^c (2000/01)
Rural	29.5 ^b (1992/93)	34.7 ^b / 31.4 ^c	47.3 ^c (2000/01)
Urban	17.3 ^b (1992/93)	16.1 ^b / 24.9 ^c	26.3 ^c (2000/01)

— = not available, GDP = gross domestic product, GNP = gross national product.

Note: Years in parentheses refers to the latest years for which data are available.

^a This figure is different from the poverty figure of 32.2% for FY1999 given in ADB's Poverty Assessment for Pakistan: *Poverty in Pakistan—Issues, Causes and Institutional Responses*, based on Pakistan Integrated Household survey: Poverty in the 1990s; Federal Bureau of Statistics, April 2001, as the poverty line in the Assessment is defined at a caloric norm of 2,550 calories per adult equivalent per day, as against 2,350 calories for the official poverty line.

^b Reported in ADB's Poverty Assessment for Pakistan: *Poverty in Pakistan—Issues, Causes and Institutional Responses*, based on Pakistan Integrated Household survey: Poverty in the 1990s; Federal Bureau of Statistics, April 2001.

^c Reported in Talat Anwar and Sarfraz Qureshi. 2001. *Trends in Absolute Poverty in Pakistan, 1990–91*. This and the following provincial and rural and urban poverty estimates are different from those reported in ADB's Poverty Assessment on account of methodological differences.

Sources: Government of Pakistan (Planning Commission) and UNDP. 2004. *Pakistan Millennium Development Goals Progress Report, Draft Final Report*. Islamabad; Government of Pakistan. Finance Division. 2003. *Economic Survey 2001–02, 2002-03 and 2003-04*. Islamabad; United Nations Development Programme. *Human Development Reports 2001, 2002 and 2004*. New York; Government of Pakistan. Ministry of Finance. 2003. *Accelerating Economic Growth and Reducing Poverty: The Road Ahead, Poverty Reduction and Strategy Paper*. Islamabad; ADB. 2002. *Poverty in Pakistan—Issues, Causes and Institutional Responses*. Islamabad; Government of Pakistan. Federal Bureau of Statistics. 2001. *Poverty in the 1990s*. Islamabad; Talat Anwar and Sarfraz Qureshi. 2001. *Trends in Absolute Poverty in Pakistan, 1990/91*. Islamabad; World Bank. 2004. *World Development Indicators*. Washington.

Table A1.4: Country Environment Indicators

Indicator	1990		Latest Years	
A. Energy Efficiency of Emissions				
1. GDP/Unit of Energy Use (PPP\$/kg)	3.3		3.8	(2001)
2. Traditional Fuel Use (% of total energy use)	24.4	(1980)	29.5	(1997)
3. Carbon Dioxide Emissions				
Metric tons	67.9		104.8	(2000)
Metric tons per capita	0.6		0.8	(2000)
B. Water Pollution: Water and Sanitation				
1. % Urban Population with Access to Safe Water	96		95	(2001/02)
2. % Rural Population with Access to Safe Water	77		80	(2001/02)
3. % Urban Population with Access to Sanitation	—		39	(2001/02)
4. Emission of Organic Water Pollutants (kg/day)	75,125	(1980)	100,821	(2000)
5. Industry Share of Emissions of Organic Water Pollutants				
Wood (%)	—		0.5	(2000)
Primary Metals (%)	—		11.6	(2000)
Pulp and Paper (%)	—		7.0	(2000)
Chemical (%)	—		8.1	(2000)
Food and Beverages (%)	—		39.9	(2000)
Textile (%)	—		30.3	(2000)
C. Land Use and Deforestation				
1. Forest Area ('000/km ²)	—		25	(2000)
2. Average Annual Deforestation				
Square kilometers (km ²)	—		304.0	(1990-2000)
% change	—		1.1	(1990-2000)
3. Rural Population Density (people/km ² of arable land)	—		438	(2001)
4. Arable Land (% of total land)	27.3		27.9	(2001)
5. Permanent Cropland (% of total land)	0.7		0.9	(2001)
D. Biodiversity and Protected Areas				
1. Nationally Protected Area				
'000/km ²	37.2	(1996)	37.8	(2003)
% of total land	4.8	(1996)	4.9	(2003)
2. Mammals (number of threatened species)	13		19	(2002)
3. Birds (number of threatened species)	25		17	(2002)
4. Higher Plants (number of threatened species)	5		2	(2002)
E. Urban Areas				
1. Urban Population				
Million	33.7	(1990/91)	49.9	(2002/03)
% of total population	30.0	(1990/91)	33.6	(2002/03)
2. Per Capita Water Use (liters/day)	—		—	

— = not available, GDP = gross domestic product, kg = kilogram, kgoe = kilograms of oil equivalent, km² = square kilometer, PPP = purchasing power parity.

Sources: Government of Pakistan. Finance Division. 2003 and 2004. *Economic Survey 2002-03 and 2003-04*. Islamabad; Government of Pakistan. Ministry of Finance. 2003. *Accelerating Economic Growth and Reducing Poverty: The Road Ahead, Poverty Reduction and Strategy Paper*. Islamabad. Government of Pakistan (Planning Commission) and UNDP. 2004. *Pakistan Millennium Development Goals Progress Report, Draft Final Report*. Islamabad; World Bank. 2004. *World Development Indicators 2004*. Washington; World Bank. 2001. *World Development Report 2000-01*. Selected World Development Indicators. Washington.

Table A1.5: Development Coordination Matrix

Sectoral / Thematic Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
<p>Agriculture and Natural Resources</p>	<p>Strategic focus on promoting a sustainable, modern, and diversified agricultural production and marketing system for improved competitiveness and higher value addition, as well as improved institutional environment for private sector investment. Supporting policy and institutional reforms in the water sector, and rehabilitation and upgrading of existing infrastructure for irrigation, drainage, and flood protection.</p> <p>Ongoing support for agriculture sector reforms aimed at facilitating a progressive increase in agriculture productivity and profitability. Support for integrated rural development through area development projects in regions with high incidence of rural poverty, namely Dera Ghazi Khan, Bahawalpur, Malakand, NWFP <i>barani</i> areas, and rural Sindh. Rural development projects designed to work through the new representative local government institutions, and lessons learnt from past projects being utilized to make a strong positive impact on the livelihood of the poor. Supporting water sector policy reforms under the Water Sector Strategy and National Drainage Program (NDP). Coordinated assistance with the World Bank and Japan Bank for International Cooperation (JBIC) to improve overall water resource management.</p> <p>Planned assistance for developing a national agricultural sector strategy, as well as for sector analysis, capacity building, and project preparation for rural modernization. Project support includes an agribusiness development project, a rural development project in the Federally Administered Tribal Areas (FATA), a <i>barani</i> area rural development project in Punjab, a coastal area development in Sindh, a rural development and drought mitigation project in Balochistan, and a border area rural development project in NWFP.</p> <p>Planned assistance also includes support for sector analysis, capacity building, and project preparation in the water sector. Project assistance will include support for a</p>	<p>Canadian International Development Agency (CIDA): Support to implementation of National Conservation Strategy (NCS) and other sustainable development initiatives at the federal, provincial, and local levels. Assistance for strengthening capacity of the International Union for Conservation of Nature (IUCN), Sustainable Development Policy Institute (SDPI), Ministry of Environment, and the environment section of the Planning and Development Division.</p> <p>Department for International Development (DFID) (United Kingdom): Support for Rural Support Program Network to address income poverty in the poorest districts of NWFP and Punjab.</p> <p>European Union (EU): Support for a national project to enhance livestock productivity by reducing losses from animal diseases. Support for strengthening public and private veterinary services. Support for environmental protection and biodiversity in North-West Frontier Province (NWFP) and Punjab, capacity building through sustainable resource management, and increasing incomes of local communities and improving their livelihoods.</p> <p>Food and Agriculture Organization: Strengthening capacity of Ministry of Agriculture in project formulation and planning. Reforming agriculture research and extension. Community-based, farmer-oriented programs. Support to marine fisheries departments in Sindh and Balochistan. Development of National Integrated Pest Management Program, with emphasis on cotton and vegetables. Rationalization of pesticide use in the country. Strategy development and support for emergency prevention and control of main transboundary animal diseases, including foot and mouth disease (FMD) and peste des petits ruminants (PPR). Assistance to address specific constraints to animal production and health through the development of a composite national livestock sector action plan. Support for strengthening of capacities for community-demand-driven natural resources management planning in Azad Jammu and Kashmir.</p> <p>Japan: Agriculture policy support, strengthening of agricultural productivity infrastructure, improvement and extension of agriculture technology, and agriculture-related processing and marketing systems. Support for irrigation and drainage improvement program with water administration capacity building through the National Drainage Program (NDP). Technical assistance (TA) for flood control.</p> <p>Netherlands: Supporting IUCN in its Pakistan Environment Program and implementation of the Balochistan Conservation Strategy. Supporting Asian</p>

Table A1.5: —Continued

Sectoral / Thematic Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
	<p>water sector investment project in Punjab, to be followed by similar water sector projects in other provinces.</p>	<p>Development Bank (ADB) TA on water resources. Partnership with UNDP on wetlands protection and management.</p> <p>Norway: Assisting in national environmental strategies, as well as natural resource management programs of IUCN and the Aga Khan Rural Support Program (AKRSP).</p> <p>Switzerland: Major focus on improved livelihoods through sustainable natural resource management in NWFP and Northern Areas with the government, NGOs, farmer groups, and the private sector.</p> <p>United Nations Development Program (UNDP): Support for innovative agricultural production techniques, training on post-harvest processing for farmers, and developing market linkages for farmers through area development programs. Support for rehabilitation of saline-affected and waterlogged lands. Support for implementation of National Environment Action Plan (NEAP) and six new community-based forestry projects for sustainable environmental management. Planned assistance includes dryland management to address desertification problems and a program for rehabilitating degraded the environment and economy of Afghan refugee-hosting areas of NWFP and Balochistan. Support for establishment of mini-dams and irrigation channels through area development programs. Mass awareness program for water conservation at household, farm and industrial levels. Planned support for a project on wetlands protection and management.</p> <p>World Food Program (WFP): Support to improve living standards for rural women through employment opportunities, with the objective of preserving physical, economic, and social assets.</p> <p>World Bank: Focus on increasing agriculture and rural growth, as well as supporting agricultural policy with the aim of improving the investment climate. Support for reducing waterlogging and salinity and reduced rangeland degradation. Focus on reducing vulnerability of rural communities to drought, floods, water logging and salinity; supporting irrigation reform to improve irrigation and drainage service delivery; and improving efficiency and sustainability of irrigation infrastructure. Planned lending assistance for land registration; water sector improvement; irrigation rehabilitation and small-scale irrigation. Support for analytical work on water sector country assistance strategy.</p>

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Table A1.5: —Continued

Sectoral / Thematic Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
<p>Education</p>	<p>Strategic focus on support to local Governments and their capacity building and institutional strengthening for improving quality of, and access to, social services. Focus of education support on access to quality basic education, especially for females; community participation in management and monitoring of schools; and adequate provision of recurrent expenditure for teachers' training, school supplies and improved curriculum.</p> <p>Support for a science education project and a decentralized elementary education project in Sindh. Support for improving effectiveness and efficiency of devolved social services through Sindh Devolved Social Services Program (DSSP).</p> <p>Planned assistance includes a technical education and vocational training project focusing on NWFP and Balochistan. Also included are DSSPs in Punjab, Balochistan, and NWFP for improving service delivery in education at the local level.</p>	<p>CIDA: Assistance for improving quality and delivery of basic education. Support for strengthening primary education through curriculum development. Support for gender equality through improvements in women's education.</p> <p>DFID: Support for National Education Foundation and National Education Assessment System. Support for NWFP Education Project and community participation in education in AJK. Assistance towards Northern Areas Education Project.</p> <p>EU: Support for sectorwide approaches to strengthen institutional capacity of Government and civil society organizations to improve quality and access to education in Sindh. Support to Aga Khan Network for education programs in the Northern Areas. Support to the Institute for Education Development in Karachi.</p> <p>Germany: Ongoing support for basic education sector reforms in NWFP.</p> <p>Japan: Assistance for vocational training and basic education. Support for capacity building of local Government in education. Counterpart fund assistance for education, and grassroots assistance to small NGOs for education.</p> <p>Norway: Support for 350 community schools in six districts in FATA through National Education Foundation. Assistance towards establishing a social sector program, including education, in NWFP. Conservation of Lahore Fort through the United Nations Educational, Scientific and Cultural Organization (UNESCO) and Ministry of Culture. Support for Aga Khan Cultural Services for conservation of cultural heritage sites throughout the Northern Areas and Chitral.</p> <p>UNESCO: Support for literacy and nonformal basic education for out-of-school children and youth, particularly girls and women. Support for institutional capacity building to improve educational innovation, management, and administration. Strengthening of higher education opportunities and networking, especially for adolescent girls and young women. Support for secondary education with a focus on technical and vocational education and life skills development for adolescents and youth.</p> <p>UNICEF: Assistance for improved quality and access to primary education.</p> <p>United States Agency for International Development (USAID): Assistance to increase access to quality primary and secondary education throughout Pakistan by providing the knowledge, training, and infrastructure necessary to help officials</p>

Table A1.5: —Continued

Sectoral / Thematic Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
		<p>and citizens develop high-quality education programs for girls and boys.</p> <p>WFP: Continued assistance to girls' primary education in food insecure areas and for increase in female literacy at primary, secondary, and tertiary levels. Support for and promotion of basic education programs for out-of-school children and young adults.</p> <p>World Bank: Focus on ensuring equitable access to quality primary education and closing the gender and urban/rural gaps in primary and secondary education. Lending assistance for Punjab Education Sector Adjustment Credits I-II and Balochistan Community Education Project. Support for analytical work in education on teacher management issues, student achievement, and review of curriculum reforms.</p>
Energy	<p>Strategic focus on supporting power sector reforms through restructuring, privatization, and unbundling of energy and gas companies.</p> <p>Ongoing technical assistance support for capacity enhancement in the energy sector. Technical assistance for restructuring the gas sector.</p> <p>Planned assistance includes support for sector analysis, capacity building, and project preparation in the energy sector. Planned project assistance includes a renewable energy development project and power transmission and distribution enhancement projects.</p>	<p>CIDA: Support to Water and Power Development Authority (WAPDA) to rehabilitate Warsak Hydroelectric Power Station. Assistance to strengthen capacity of the Ministry of Petroleum and Natural Resources for development and implementation of sound policies and regulatory frameworks in order to encourage private sector investment, and to enforce effective conservation and environmental regulations. Support to public and private companies to develop and manage hydrocarbon resources.</p> <p>Germany: Ongoing support for a hydropower promotion program. Support for a grid station in Ghakkar for power transmission from Ghazi-Barotha.</p> <p>Japan: Ongoing support for Ghazi Barotha transmission line strengthening. Possible support for improvement in electric power distribution, and electrification of specified areas.</p> <p>UNDP: Planned assistance for an energy efficiency project in the transport sector. Support for promoting renewable energy technologies and energy-efficient housing through new projects for (i) disseminating success stories in the fields of energy conservation and renewable technology, (ii) training of women in the energy-efficient use of home appliances, and (iii) liquefied petroleum gas promotion in the northern areas.</p> <p>World Bank: Focus on ensuring a competitive and efficient power sector providing affordable electric power; increased access to electricity in rural areas; efficient and competitive oil, gas and petroleum industries supported by effective Government regulation; and increased exploration of mineral resources under a modernized</p>

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Table A1.5: —Continued

Sectoral / Thematic Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
		institutional, legal, and regulatory framework. Lending program to be identified. Analytical work focused on addressing governance and tariff issues; sector dialogue; subsidy policy for the oil and gas sectors; and policy dialogue on the mineral sector
Finance	<p>Strategic focus on supporting financial sector restructuring and reforms for improved governance, improving market infrastructure and supply of financial instruments.</p> <p>Ongoing assistance for microfinance through the <i>Khushhali</i> Bank. Support for improving rural finance systems, including restructuring of the Zarai Taraqiati Bank, to increase income and employment for small farmers. Assistance for improved governance in nonbank financial markets.</p> <p>Planned assistance includes a public-private infrastructure financing facility to support increased private-sector investment in infrastructure and follow-up support in the microfinance sector.</p>	<p>DFID: Support for Kashf Foundation in providing microfinance opportunities for women. Support for the Microfinance Network.</p> <p>EU: Ongoing support for reform and improvement in financial services, with particular focus on microfinance institutions.</p> <p>Switzerland: Capacity building of microfinance institutions and leasing companies.</p> <p>UNDP: Support for the First Women's Bank. Support for microenterprises through microfinance schemes and skill trainings in area development programs.</p> <p>USAID: Assistance for increasing economic opportunities for the poor by increasing the availability of micro-loans and other financial services in parts of Sindh and Balochistan.</p> <p>World Bank: Support for a broader and deeper financial system to promote privatization. Lending support for tax administration; and contributions to Poverty Reduction Support Credit (PRSC) II-III/Provincial Structural Adjustment Credits (SACs). Analytical work to focus on financial sector dialogue. International Finance Corporation (IFC) support for private commercial banks and nonfinancial institutions.</p>
Health, Nutrition, and Social Protection	<p>Strategic focus on support to local governments and their capacity building and institutional strengthening for improving quality of, and access to, social services. Strategic focus of health sector support on expanded access to health facilities for women, decentralized management, adequate provision of basic medicine, and private-sector involvement.</p> <p>Ongoing support for projects designed to provide adequate reproductive and general health assistance to women in impoverished rural areas as well as low-income urban centers. Support for improving effectiveness and efficiency</p>	<p>CIDA: Assistance for improving quality and delivery of health care, especially for female population and disadvantaged groups. Assistance for strengthening institutional capacity for improving maternal and child health care. Support for a surveillance system for HIV/AIDS and increasing dissemination of reproductive health information. Support for gender equality through improvements in women's human rights, health, and economic empowerment.</p> <p>DFID: Family protection project providing enhanced access to information and social services. Support for a National Health and Population Welfare Facility. Support for Pakistan Voluntary Health and Nutrition Association. Support for social marketing of contraceptives in partnership with USAID. Support for population planning program. Evaluation of Lady Health Worker Program. Assistance towards</p>

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Table A1.5: —Continued

Sectoral / Thematic Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
	<p>of devolved social services, including health, through Sindh DSSP. Also included is a project to support establishment of a social health insurance system.</p> <p>Planned assistance includes DSSPs in Punjab, Balochistan, and NWFP for improving decentralized service delivery in health. Also included is a project to support establishment of a social health insurance system.</p>	<p>primary health care in Chitral and reproductive healthcare in Sindh. Provision of emergency drugs in Balochistan and NWFP. Support for HIV/AIDS.</p> <p>EU: Support for strengthening the institutional capacity of Government health institutions and civil society organizations for improved quality and access to health services. Support to NGOs for rural social development. Support for integrated health and drug services programs, including prevention of human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS).</p> <p>Germany: Ongoing support for basic health sector reforms in NWFP. Support for Health Services Academy and social marketing of contraceptives.</p> <p>Japan: Support for capacity building of local Government in health, gender and development. Support for maternal health and child survival through control of infectious diseases as well as assistance to expand the program for immunization (EPI). Support for improving the health service delivery system. Grassroots assistance to small NGOs for health activities.</p> <p>United Nations Children's Fund (UNICEF): Support for promoting rights-based social development, planning, and policies. Support for enhancing access to health services/trained service providers for mothers and children. Support for infant care, including birth registration, immunization, and polio eradication. Assistance for early childhood development. Support for HIV/AIDS awareness.</p> <p>UNDP: Support for government response to HIV/AIDS. Planned assistance to National Commission on Status of Women in setting up and developing the capacity of its research, policy and advocacy units and networking with civil society and the private sector.</p> <p>USAID: Assistance for quality health and reproductive health programs, particularly for the poor in rural areas, by supporting the government's plans to reform health and population policies and services, particularly maternal and child health and reproductive health services. Support for improving the management of provincial and district health programs, and HIV/AIDS prevention activities.</p> <p>WFP: Continued support for promotion of safe motherhood, reproductive health care, and health education.</p> <p>World Health Organization (WHO): Support for health policy formulation and health system development, with a focus on primary health care and district health</p>

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Table A1.5: —Continued

Sectoral / Thematic Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
		<p>systems as well as integrated management of childhood illnesses. Support for human resource capacity building and transfer of health technologies. Assistance for communicable disease control, including priority programs for tuberculosis, malaria, HIV/AIDS, and immunization programs, with key support for the initiative to eradicate polio. Support for control and prevention of noncommunicable diseases (cancer; cardiovascular diseases; and mental health, including substance abuse).</p> <p>World Bank: Focus on (i) reducing infant, child, and maternal mortality in line with poverty reduction strategy paper (PRSP) targets; (ii) reducing incidence of communicable diseases; and (iii) improving treatment of polio, HIV/AIDS, and tuberculosis. Focus of health sector analytical work on Millennium Development Goal (MDG) assessment, a reproductive health study, surveillance system assessment, Punjab health sector strategy, assessment of primary health care system in Punjab and Sindh, Balochistan health policy note, assessment of private health care, and review of hospital autonomy in Punjab and NWFP. Social protection analytical work to focus on safety nets, pension reform advisory services, disability action plan, vocational training/labor markets, and social protection policy notes.</p>
<p>Law, Economic Management, and Public Policy</p>	<p>Strategic focus on promoting good governance in the management of the development process; public resource and expenditure management; strengthening of institutions, systems, and capacity; and promotion of local participation and ownership.</p> <p>Continued support for governance reforms for access to justice and judicial reforms, as well as for decentralization and devolution reforms with the objective of improving local government representation, accountability, and delivery of social services. Support for gender equality and social development. Support for fiscal and financial reform, improved public services delivery, and private sector development through a public resource management program in Punjab.</p> <p>Planned assistance includes continued support for governance reforms in Punjab under the resource management program, and support for such reforms under a similar resource management program in Balochistan.</p>	<p>CIDA: Assistance for democratic local governance in support of the Government's devolution process leading to decentralization of administration and participation of citizens—particularly women—in local governance. Assistance for promoting effective representation by women councilors at all levels of local Government. Contribution to UNDP Devolution Trust for Community Empowerment and ADB's Decentralization Support Program and Devolved Services Delivery Study.</p> <p>EU: Support for promoting dialogue and innovative initiatives by nonprofit organizations in governance and administrative reform. Support to national policy and action plan to combat child labor.</p> <p>DFID: Budgetary support for the Government towards the PRSP. Support for Democratic Electoral Process (with UNDP). Support for strengthening Faisalabad District Government Program. Support for ADB's Decentralization Support Program (DSP). Support for strengthening of legislature through Pakistan Institute for Legislative Development and Transparency (PILDAT). Strengthening of National Accountability Bureau (NAB). Support for Pakistan Integrated Housing Survey and Participatory Poverty Assessment.</p> <p>International Labor Organization (ILO): Support to the Ministry of Labor to</p>

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Table A1.5: —Continued

Sectoral / Thematic Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
	Also support for a FATA governance program and a Punjab local justice program.	<p>operationalize the National Policy for the Abolition of Bonded Labor through institutional capacity development and strengthening of existing legal and institutional framework. Also support to the Ministry to develop labor laws in accordance with the latest labor policy. Support for eliminating trafficking in women and children through a regional program. Support to the Government's national time bound program to eliminate the worst forms of child labor through policy development, education, vocational training, and microenterprise development. Support for the elimination of child domestic work.</p> <p>International Monetary Fund (IMF): Support for the balance of payments through the Poverty Reduction and Growth Facility (PRGF).</p> <p>Japan: Support for local Government capacity building and a police reform program. Planned support for devolution reforms.</p> <p>Netherlands: Supporting ADB's Decentralization Support Program TA and Access to Justice TA. Working with Strengthening Participatory Organization (SPO) to help community groups attain recognition as citizens' community boards. Supporting South Asian Free Media Association (SAFMA), Supporting NGOs in the setting up of a legal aid cell.</p> <p>Norway: Support for the Government's Gender Support Program, in partnership with UNDP, with focus on training of local women councilors. With UNDP, supporting capacity building of Commission for the Status of Women as well as support of Devolution Trust for Community Empowerment (DTCE) project. Engaged in capacity building of the Election Commission in partnership with DFID. Supporting a media campaign with ILO to address the worst forms of child labor. Supporting a variety of human right-based nongovernmental organizations (NGOs) such as Sahil, Shirkat Gah, the Aurat Foundation, and the Human Rights Commission.</p> <p>Switzerland: Support for the devolution program through Essential Institutional Reform Operationalization Program (EIROP), a UNDP program in NWFP. Support for promoting and protecting human rights through programs with Government and NGOs, in cooperation with the United Nations Children's Fund (UNICEF) and ILO.</p> <p>UNDP: Support to the National Reconstruction Bureau for governance policy formulation and strategic analysis. Support for strengthening institutions to</p>

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Table A1.5: —Continued

Sectoral / Thematic Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
		<p>enhance people's participation in local governance through activation of citizens' community boards under the Devolution Trust for Community Empowerment. Support for strengthening electoral management through capacity building of Election Commission and involving civil society organizations for mobilizing women's participation in electoral processes. Support for a needs-based capacity-building program of approximately 27,000 elected women councilors at the union, sub-district, and district levels. Support for an audit to document the nature, causes, magnitude, and impact of violence against women and to suggest approaches to addressing the issue. A planned gender-responsive budgeting initiative, which will aim to ensure that policies and programs of national and subnational Governments are gender-responsive.</p> <p>USAID: Assistance for participatory, representative, and accountable democracy in Pakistan by supporting and training civil society organizations, media representatives, members of parliament, and local government representatives. Support for efforts to improve the transparency, accountability, and competence of the legislature through TA, training, mentoring, and networking. Balance of payment support through debt relief to help sustain robust spending for social sectors.</p> <p>World Bank: Continued support for structural adjustment programs at the national level, as well as in NWFP and Sindh. Support for a financial management program with focus on ensuring reliable, comprehensive, timely, and accurate financial and fiscal reports pertaining to federal, provincial, and district Governments. Analytical work in the financial management area includes reviewing auditing standards and codes; and a policy note on local Government accounting. Continued engagement in civil service reforms and institutional capacity building, principally through the ongoing project to build public sector capacity.</p>
<p>Regional Cooperation</p>	<p>Strategic focus on enhancing subregional cooperation between Pakistan and neighboring countries, for expanded trade and commerce opportunities, improved incomes and livelihoods, and reduction in the incidence of poverty among all countries in the subregion.</p> <p>In transportation, ADB has proposed road sector projects that will connect Pakistan to Afghanistan and Central Asia. In the energy sector, a major initiative is the Turkmenistan-Afghanistan-Pakistan (TAP) Gas Pipeline Project for which a feasibility study is nearing completion.</p>	<p>UNDP: Cooperation with United Nations Conference on Trade and Development (UNCTAD) for enhancement of information technology (IT) policy and for regional trade facilitation.</p> <p>World Bank: Support for trade facilitation and custom harmonization.</p>

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Table A1.5: —Continued

Sectoral / Thematic Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
	<p>under two ADB assisted regional technical assistance projects (RETAs).</p> <p>Support will also be provided for a RETA to promote South Asian regional economic cooperation through enhancing the capacity of the SAARC secretariat and its member states for undertaking regional cooperation work in priority areas.</p>	
Trade and Industry	<p>Strategic focus on improving trade and industry restructuring and reforms for improved governance. Assisting in enhancing the international competitiveness of the private sector.</p> <p>Ongoing assistance for improving access to financing to help deepen and diversify private sector activities. Ongoing support for development of the SME sector as a catalyst for pro-poor growth and employment, and increasing access of SMEs to sources of finance. This will take the form of (i) supporting private financial institutions and business development service (BDS) intermediaries in building up capabilities to serve SMEs, (ii) supporting the Government in privatizing the SME bank, and (iii) supporting policy reforms to improve the business climate with emphasis on leveraging private-sector operations. Setting up facilities to treat industrial effluents and toxic waste.</p>	<p>DFID: Support for a WTO Trade and Policy Project.</p> <p>ILO: Technical assistance in Attock and Mardan districts for training opportunities for placing the rural unemployed in local industries and/or engaging in self-employment through enterprise development and skills training.</p> <p>Japan: TA to the Board of Investment for investment promotion.</p> <p>Netherlands: Supporting Pakistan Tannery Association in developing cleaner industrial production and construction of a wastewater facility.</p> <p>Norway: Support towards utilization of cleaner production technology in the leather industry in partnership with the Government. Supporting ADB TA on industrial efficiency environmental management</p> <p>Switzerland: Support for job creation in micro and small-scale enterprises in NWFP.</p> <p>UNDP: Support for policy research and capacity building to address trade issues with a human development perspective. Support, in collaboration with United Nations Industrial Development Organization (UNIDO), to the Pakistan National Accreditation Council to ensure quality assurance with internationally recognized standards.</p> <p>UNIDO: Industrial Information Network (IIN) project for providing e-business support services and linking national and international service for SMEs. Support for a cluster development program for SMEs. Assistance (through Strengthening Quality, Standards, and Testing Infrastructure objective) to enhance industrial competitiveness through quality assurance. A treatment plant in Kasur to create the physical facilities to treat tannery effluents and solid waste, as well as introducing more environmental friendly tannery practices. Planned assistance for</p>

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Table A1.5: —Continued

Sectoral / Thematic Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
		<p>the establishment of the National Cleaner Production Centre.</p> <p>USAID: Support for improving Pakistan's business climate through effective public/private dialogue and initiatives to stimulate growth and employment, particularly at the SME level.</p> <p>World Bank: Focus on increasing private investment, promoting an efficient tax administrative system. Value chain studies for key growth sectors. Analytical work to focus on barriers to investment and a labor market study.</p>
Transport and Communication	<p>Strategic focus on rehabilitating, developing, and integrating road networks; better road asset management, operations, and maintenance; and institutional strengthening of road agencies.</p> <p>Ongoing support for rehabilitation of national and provincial highways as well as rural access roads under the province-focused road development sector projects in Sindh, Punjab, and Balochistan.</p> <p>Planned assistance includes support for development of a transport sector strategy and action plan, as well as a sector analysis, capacity building, and project preparation in the transport sector. Planned project support includes a road development sector project in NWFP; and a district road resource management project. Also included is assistance for promoting public-private partnerships for national highway development.</p>	<p>Japan: Major focus on transport policy assistance; sustainable road operation and maintenance; and road network assistance. Ongoing preparation of transport sector loan and grant based projects, as well as technical assistance projects.</p> <p>World Bank: Focus on developing an efficient, reliable transport system for moving people and goods; and a competitive telecommunications sector, with increased private investment, that provides greater access in rural and underserved areas. Continued project support to national highways rehabilitation. Analytical work to include a rural access and mobility study; a transport competitiveness study; capacity building for improving financial and management accounting systems of Pakistan Railways; policy dialogue for finalization and implementation of the National Transport Policy; policy dialogue on urban transport strategy for Karachi; a telecom sector review focusing on the restructuring and privatization of the Pakistan Telecommunications Company Limited (PTCL); a telecom rural access strategy; and a review of information and communication technology (ICT) strategy.</p>
Water Supply, Sanitation, and Waste Management	<p>Urban development initiative to reduce poverty in NWFP; and an urban development project to provide water and sanitation to urban centers in southern Punjab. Also support for water supply schemes under Sindh DSSP, as well as assistance for local government capacity to efficiently provide water supply and sanitation services. Planned assistance includes DSSPs with water supply components in Punjab, Balochistan and NWFP. Also included is an environmental improvement project in Rawalpindi with focus on provision of adequate water</p>	<p>DFID: Assistance for improved access to safe water and sanitation in NWFP.</p> <p>UNDP: Support for improvements in low-income informal settlements through the National Urban Poverty Alleviation Program. Ongoing project to replicate Jaranwala sanitation program in selected small towns. Further support for public-private partnerships for sanitation and solid waste management in Islamabad, Jaranwala and Gujarat. Replication of Gujarat Sanitation Program on solid waste management in 3 additional sub-districts.</p> <p>World Bank: Support for a community infrastructure and services project to build</p>

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Table A1.5: —Continued

Sectoral / Thematic Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
	<p>supply, sewerage and solid waste management facilities.</p> <p>Assistance for a basic urban services project in Sindh to enhance the standard of living in low-income areas of selected urban centers.</p> <p>Planned assistance also includes master planning as well as project support for mega/big-city renewal and development, with a focus on Sindh, starting with Karachi.</p>	<p>on the experiences of Community Infrastructure Project—North West Frontier Province-I (CIP-NWFP-I). Ongoing support through Pakistan Poverty Alleviation Fund (PPAF) for small infrastructure projects including water and sanitation schemes. Analytical work focused on turning around major cities. Analytical work in Karachi focusing on municipal finances, land market issues, and zoning.</p>

AIDS = acquired immunodeficiency syndrome, AKRSP = Aga Khan Rural Support Program, BDS = Business Development Services, CBR = Central Board of Revenue, CIP-NWFP = Community Infrastructure Project – North West Frontier Province, DFID = Department For International Development, DSSP = Devolved Social Services Program, FAO = Food and Agriculture Organization of the United Nations, FATA = Federally Administered Tribal Areas, FI = Financial Institution, HIV = human immunodeficiency virus, ICT = Information Communication Technology, IFC = International Finance Corporation, ILO = International Labor Organization, IUCN = World Conservation Union, JBIC = Japan Bank for International Cooperation, NAB = National Accountability Bureau, NDP = National Drainage Program, NEAP = National Environment Action Plan, NGO = Nongovernmental Organization, NWFP = North West Frontier Province, PIFRA = Improvement to Financial Reporting and Auditing Project for Pakistan, PILDAT = Pakistan Institute for Legislative Development and Transparency, PPAF = Pakistan Poverty Alleviation Fund, PRGF = Poverty Reduction and Growth Facility, PRSP = Poverty Reduction Strategy Paper, PTCL = Pakistan Telecommunications Company Limited, SAC = Structural Adjustment Credits, RETA = Regional Technical Assistance Projects, SDPI = Sustainable Policy Development Institute, SME = Small and Medium Enterprise, TA = technical assistance, UNDP = United Nations Development Program, UNESCO = United Nations Educational, Scientific and Cultural Organization, UNICEF = United Nations Children's Fund, USAID = United States Agency for International Development, WAPDA = Water and Power Development Authority, WFP = World Food Program, WHO = World Health Organization, WTO = World Trade Organization.

Table A1.6: Portfolio Indicators—Portfolio Amounts and Ratings
(public sector loans, as of 31 December 2003)

Sector	Net Loan Amount		Rating ^a													
			Total		Highly Satisfactory		Satisfactory		Partly Satisfactory		Unsatisfactory		Potential Problem ^b		At Risk ^c	
	\$ million	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	(%)
Agriculture and Natural Resources	1,359.6	26.6	14	25.0	0	0.0	11	78.6	2	14.3	1	7.1	2	14.3	3	21.4
Energy ^d	605.8	11.8	3	5.4	0	0.0	0	0.0	3	100.0	0	0.0	1	33.3	3	100.0
Industry & Trade	153.0	3.0	2	3.6	0	0.0	1	50.0	1	50.0	0	0.0	0	0.0	1	50.0
Transport and Communications	586.2	11.5	6	10.7	0	0.0	6	100.0	0	0.0	0	0.0	0	0.0	0	0.0
Social Sector	585.0	11.4	12	21.4	0	0.0	10	83.3	1	8.3	1	8.3	1	8.3	2	16.7
Governance/Others	721.5	14.1	8	14.3	0	0.0	7	87.5	0	0.0	1	12.5	0	0.0	1	12.5
Finance	876.9	17.2	8	14.3	0	0.0	8	100.0	0	0.0	0	0.0	0	0.0	0	0.0
Multisector	226.0	4.4	3	5.2	0	0.0	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0
Total	5,114.0	100.0	56	100.0	0	0.0	46	82.1	7	12.5	3	5.4	4	7.1	10	17.9

No. = number.

^a One rating for implementation progress and development objectives, based on the lower rating of either.

^b Potential problem loans are highly satisfactory or satisfactory loans with four or more risk factors (flags).

^c A loan is "at risk" if it is rated as partly satisfactory, as unsatisfactory, or as a potential problem.

^d Two of the three loans at risk in the energy sector were prepaid by the government on 29 January 2004.

Source: Asian Development Bank estimates.

Table A1.7: Portfolio Indicators—Disbursements and Net Transfers of Resources
(public sector loans, as of 31 December 2003)

Disbursements and Transfers	OCR	ADF	Total
Disbursements^a			
Total Funds Available for Withdrawal (\$ million)	2,399.260	2,000.267	4,399.527
Disbursed Amount (\$ million, cumulative)	1,107.05	949.609	2,056.659
Percentage Disbursed (disbursed amount/total available)	46.1	47.5	46.7
Disbursements (\$ million, 2003)	332.89	132.93	465.82
Disbursement Ratio (%) ^b			16.5
Net Transfer of Resources (\$ million)^c			
1999	(82.100)	95.100	13.0
2000	(39.400)	117.900	78.5
2001	(48.500)	121.200	72.7
2002	(56.944)	117.485	60.5
2003	12.254	(14.184)	(1.9)

ADF = Asian Development Fund, OCR = ordinary capital resources.

^a Includes all loans with disbursements during 2003, including loans closed during the year

^b Ratio of disbursements during the year over the undisbursed net loan balance at the beginning of the year less cancellations during the year. Effective loans during the year have also been added to the beginning balance of undisbursed loans.

^c Includes loans closed during the 2003.

Sources: Asian Development Bank estimates (Loan Financial Information System).

Table A1.8: Portfolio Indicators—Evaluation Rating by Sector
(1996-2003)

Sector	HS/GS/S ^a		PS		US		No Rating		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Agriculture & Natural Resources	10.0	40.0	7.0	41.2	2.0	100.0	–	–	19.0	43.2
Social Infrastructure	5.0	20.0	5.0	29.4	0.0	0.0	–	–	10.0	22.7
Transport & Communications	5.0	20.0	0.0	0.0	0.0	0.0	–	–	5.0	11.4
Energy	2.0	8.0	4.0	23.5	0.0	0.0	–	–	6.0	13.6
Industry and Nonfuel Minerals	0.0	0.0	0.0	0.0	0.0	0.0	–	–	0.0	0.0
Finance	2.0	8.0	1.0	5.9	0.0	0.0	–	–	3.0	6.8
Multisector	1.0	4.0	0.0	0.0	0.0	0.0	–	–	1.0	2.3
							–	–		
Total	25.0	100.0	17.0	100.0	2.0	100.0	–	–	44.0	100.0

GS = generally successful, HS = highly successful, PCR = project completion report, PS = partly successful, S = successful, US = unsuccessful.

^a Starting 2001, the new four-category rating system was used, which is why HS, GS, and S are grouped together.

Source: Asian Development Bank (Operations Evaluation/Project Evaluation Information System)

Table A1.9: Portfolio Implementation Status
(public sector loans, as of 31 December 2003)

No.	Sector	Loan No.	Seg	Title	Net Loan Amount		Approval Date (dd/mm/yy)	Effective Date (dd/mm/yy)	Closing Date		Progress (% complete)
					OCR (\$ million)	ADF (\$ million)			Original (dd/mm/yy)	Revised (dd/mm/yy)	
1	AGR	1146	SF	Chasma Right Bank Irrigation	0.000	214.541	17-Dec-91	20-Nov-92	30-Sep-00	31-Dec-03	99.0
2	AGR	1294	SF	Pehur High-Level Canal	0.000	125.086	22-Dec-93	02-Nov-94	31-Dec-02	31-Dec-04	89.0
3	AGR	1403	SF	Forestry Sector	0.000	22.197	09-Nov-95	11-Mar-96	31-Dec-02	28-Feb-04	50.0
4	AGR	1413	SF	National Drainage Sector	0.000	177.427	12-Dec-95	19-Dec-97	30-Jun-03	31-Aug-04	40.0
5	AGR	1467	SF	Bahawalpur Rural Development	0.000	36.595	26-Sep-96	11-Jun-97	30-Jun-03	30-Jun-04	94.0
6	AGR	1531	SF	D.G. Khan Rural Development	0.000	38.14	04-Sep-97	12-Jan-98	31-Dec-04		40.0
7	AGR	1578	SF	Second Flood Protection Sector	0.000	108.632	13-Nov-97	01-Oct-99	30-Jun-05	30-Jun-05	5.0
8	AGR	1672	SF	Malakand Rural Development	0.000	45.541	18-Mar-99	20-Jul-99	31-Dec-06		44.0
9	AGR	1787	SF	NWFP Barani Area Development II	0.000	59.464	28-Nov-00	04-Feb-02	31-Dec-08		2.0
10	AGR	1877	SF	Agriculture Sector Program II	0.000	136.657	13-Dec-01	24-Sep-02	30-Jun-07		
11	AGR	1878		Agriculture Sector Program II	247.24		13-Dec-01	24-Sep-02	30-Jun-07		
12	AGR	1879	SF	Agriculture Sector Program II-TA	0.000	2.324	13-Dec-01	24-Sep-02	31-Aug-05		5.0
13	AGR	1934	SF	Sindh Rural Development	0.000	56.296	20-Nov-02	27-May-04	30-Jun-10		0.0
14	ENE	1424		Ghazi Barotha Hydropower	300.000	0.000	16-Jan-96	20-Jun-96	30-Jun-02	31-Dec-02	96.0
15	ENE	1807		Energy Sector Restructuring Program	300.000		14-Dec-00	15-Dec-00	30-Jun-04		
16	ENE	1809	SF	CAP Enhancement in the Energy Sector (TA Loan)		5.807	14-Dec-00	24-Apr-01	30-Jun-04		
17	IND	1682		Institutional Support for Trade Regime	3.000		31-Mar-99	31-Mar-99	30-Jun-03		97.0
18	IND	1796		Foreign Currency Export Finance Facility	150.000		07-Dec-00	02-Apr-01	02-Apr-04	31-Jan-04	92.0
19	IND/FIN	2066		Small- and Medium-Sized Enterprise Sector Development Program	153.620		19-Dec-03	05-Jul-04	30-Jun-07		
20	IND/FIN	2067	SF	Small- and Medium-Sized Enterprise Sector Development		18.576	19-Dec-03	05-Jul-04	30-Jun-09		0.0
21	T & C	1891		Road Sector Development Program	50.763		19-Dec-01	27-Jun-02	30-Jun-07		
22	T & C	1892		Road Sector Dev Program	85.119		19-Dec-01	25-Sep-02	30-Jun-07		0.0
23	T & C	1893	SF	Road Sector Dev Program		88.086	19-Dec-01	25-Sep-02	30-Jun-07		0.0
24	T & C	1928		Punjab Road Development Sector	171.782		31-Oct-02	26-Jun-03	31-Dec-08		0.0
25	T & C	2019		Balochistan Road Development Sector	189.414		20-Nov-03		31-Dec-09		0.0
26	T & C	2020	SF	Community Development and Poverty Reduction		1.042	20-Nov-03		31-Dec-09		0.0
27	SOC	1260	SF	Urban Water Supply and Sanitation		55.201	04-Nov-93	13-Oct-94	30-Sep-99	30-Sep-03	98.0
28	SOC	1278	SF	Middle School		49.566	02-Dec-93	12-Oct-94	31-Dec-99	30-Sep-03	95.0
29	SOC	1373	SF	Technical Education		48.176	19-Sep-95	27-Mar-96	31-Dec-01	31-Dec-03	93.0
30	SOC	1454	SF	Second Girls Primary School Sector		42.723	15-Aug-96	19-Jan-98	31-May-02	31-May-04	88.0
31	SOC	1534	SF	Second Science Education Sector		41.650	11-Sep-97	1-Mar-99	30-Jun-05		76.0
32	SOC	1671	SF	Women's Health		48.959	16-Mar-99	23-Jun-00	31-Dec-05		46.0

ADF = Asian Development Fund, AGR = agriculture and natural resources, BOI = Board of Investment, ENE = energy, FIN = finance, IND = industry and nonfuel minerals, KESC = Karachi Electric Supply Corporation, MUL = multisector, no. = number, OCR = ordinary capital resources, OTH = other, seg = segment (pertaining to loans with more than one withdrawal authority), SF = Special Funds resources, SOC = social infrastructure, T&C = transport and communications, TA = technical assistance.

Source: Asian Development Bank.

Table A1.9: —Continued

No.	Sector	Loan No.	Seg	Title	Net Loan Amount		Approval Date (dd/mm/yy)	Effective Date (dd/mm/yy)	Closing Date		Progress (% complete)
					OCR (\$ million)	ADF (\$ million)			Original (dd/mm/yy)	Revised (dd/mm/yy)	
33	SOC	1854	SF	NWFP Urban Development Sector		23.953	8-Nov-01	23-Oct-02	30-Jun-08		10.0
34	SOC	1900	SF	Reproductive Health		42.282	20-Dec-01		30-Jun-08		0.0
35	SOC	1916	SF	Decentralized Elementary Education		83.825	19-Sep-02	31-Jul-03	30-Jun-09		8.0
36	SOC	1950	SF	Punjab Community Water Supply and Sanitation Sector		56.195	28-Nov-02	29-Apr-03	30-Jun-07		13.0
37	SOC	2060	SF	Southern Punjab Basic Urban Services		46.703	18-Dec-03		31-Jul-09		0.0
38	SOC	2061	SF	Southern Punjab Basic Urban Services	45.761		18-Dec-03		31-Jul-09		0.0
39	SOC	2047		Sindh Devolved Social Services Program	111.861		12-Dec-03	29-Apr-04			
40	SOC	2048	SF	Sindh Devolved Social Services Program		103.785	12-Dec-03	29-Apr-04	01-Aug-07		
41	SOC	2049	SF	Sindh Devolved Social Services		10.378	12-Dec-03		01-Aug-08		0.0
42	FIN	1806	SF	Microfinance Sector Development	0.000	89.454	13-Dec-00	09-Feb-01	30-Jun-07		47.0
43	FIN	1955		Financial (Nonbank) Markets and Governance Program	260.000		05-Dec-02	22-Apr-03	30-Jun-06		
44	FIN	1956	SF	Strengthening Pension, Insurance, and Saving Systems		3.370	05-Dec-02	22-Apr-03	30-Jun-05		
45	FIN	1957	SF	Strengthening Regulation, Enforcement, and Governance Of Nonbank Financial Market		3.370	05-Dec-02	22-Apr-03	30-Jun-05		
46	FIN	1987		Rural Finance Sector Development Program	225.000		20-Dec-02	26-Dec-02	30-Jun-06		
47	FIN	1988		Rural Finance Sector Development	25.000		20-Dec-02	26-Dec-02	30-Jun-06		0.0
48	OTH	1897		Access to Justice Program	262.864		20-Dec-01	24-Dec-01	30-Jun-05		
49	OTH	1898	SF	Access to Justice Program		91.764	20-Dec-01	24-Dec-01	30-Jun-05		
50	OTH	1899	SF	Institutional Development for Access to Justice		23.237	20-Dec-01	24-Dec-01	30-Jun-06		0.0
51	OTH	1935		Decentralization Support Program	220.503		21-Nov-02	24-Sep-03	30-Jun-06		
52	OTH	1936	SF	Decentralization Support Program		70.839	21-Nov-02	24-Sep-03	30-Jun-06		
53	OTH	1937	SF	Local Government Performance Enhancement		25.820	21-Nov-02	24-Sep-03	30-Jun-07		0.0
54	OTH	1938	SF	Gender and Governance Mainstreaming		7.858	21-Nov-02	–	30-Jun-07		0.0
55	OTH	2030		Punjab Resource Management Program	202.432		04-Dec-03	23-Dec-03	30-Jun-05		
56	OTH	2031	SF	Supporting Resource Management Reforms in Punjab		4.152	04-Dec-03	23-Dec-03	30-Jun-06		0.0
Total					3,004.36	2,109.67					

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Table A1.9—Continued

No.	Sector	Loan No.	Seg	Title	Cumulative Contracts/ Commitments (\$ million)	Cumulative Disbursements (\$ million)	Rating		Potential Problem ^a	At Risk ^b
							IP	DO		
1	AGR	1146	SF	Chasma Right Bank Irrigation	174.538	172.589	S	S	No	No
2	AGR	1294	SF	Pehur High-Level Canal	101.068	103.333	S	S	No	No
3	AGR	1403	SF	Forestry Sector	3.664	4.889	S	S	No	No
4	AGR	1413	SF	National Drainage Sector	91.167	56.353	PS	PS	Yes	Yes
5	AGR	1467	SF	Bahawalpur Rural Development	23.613	20.100	S	S	No	No
6	AGR	1531	SF	D.G. Khan Rural Development	7.107	5.572	S	S	No	No
7	AGR	1578	SF	Second Flood Protection Sector	5.355	1.836	PS	S	Yes	Yes
8	AGR	1672	SF	Malakand Rural Development	8.535	2.941	S	S	No	No
9	AGR	1787	SF	NWFP Barani Area Dept. II	4.045	0.540	HS	S	No	No
10	AGR	1877	SF	Agriculture Sector Program II	51.783	51.783	S	S	No	No
11	AGR	1878		Agriculture Sector Program II	76.399	78.717	S	S	No	No
12	AGR	1879	SF	Agriculture Sector Program II (TA)	0.273	0.050	S	S	No	No
13	AGR	1934	SF	Sindh Rural Development	0.000	0.000	US	S	No	Yes
14	ENE	1424		Ghazi Barotha Hydropower ^c	219.430	253.635	S	PS	No	Yes
15	ENE	1807		Energy Sector Restructuring Program ^c	150.000	153.000	PS	S	No	Yes
16	ENE	1809	SF	Capacity Enhancement in the Energy Sector (TA Loan)	0.000	0.000	PS	S	Yes	Yes
17	IND	1682		Institutional Support For Trade Regime (TA)	2.342	2.049	S	S	No	No
18	IND	1796		Foreign Currency Export Finance Facility	2.380	31.950	S	PS	No	Yes
19	IND	2066		Small- and Medium-Sized Enterprise Sector Development Program	0.000	0.000	S	S	No	No
20	IND	2067	SF	Small- and Medium-Sized Enterprise Sector Development Program	0.000	0.000	S	S	No	No
21	T & C	1891		Road Sector Development Program	50.277	50.763	S	S	No	No

DO = development objectives, FIN = finance, HS = highly satisfactory, IP = implementation progress, no. = number, OTH = other, PS = partly satisfactory, S = satisfactory, Seg. = segment (pertaining to loans with more than one withdrawal authority), SF = Special Funds, SOC = social infrastructure, U = unsatisfactory.

^a "Yes" for loans with four or more risk factors associated with partly satisfactory or unsatisfactory performance.

^b A loan is considered "at risk" if it is rated as "PS" or "U" in either implementation progress or development objectives, or if it is a potential problem loan.

^c Loans at risk prepaid by the government on 29 January 2004.

Source: Asian Development Bank

Continued on next page

Table A1.9: —Continued

No.	Sector	Loan No.	Seg	Title	Cumulative Contracts/ Commitments (\$ million)	Cumulative Disbursements (\$ million)	Rating		Potential Problem ^a	At Risk ^b
							IP	DO		
22	T & C	1892		Road Sector Development Program	0.000	1.037	S	S	No	No
23	T & C	1893	SF	Road Sector Development Program	0.000	0.043	S	S	No	No
24	T & C	1928		Punjab Road Development Sector	0.000	1.634	S	S	No	No
25	T & C	2019		Balochistan Road Development Sector	0.000	0.000	S	S	No	No
26	T & C	2020	SF	Community Development and Poverty Reduction	0.000	0.000	S	S	No	No
27	SOC	1260	SF	Urban Water Supply and Sanitation	51.457	47.124	PS	S	Yes	Yes
28	SOC	1278	SF	Middle School	33.048	34.725	S	S	No	No
29	SOC	1373	SF	Technical Education	36.488	32.971	S	S	No	No
30	SOC	1454	SF	Second Girls Primary School Sector	29.536	33.641	S	S	No	No
31	SOC	1534	SF	Second Science Education Sector	16.660	15.801	S	S	No	No
32	SOC	1671	SF	Women's Health	12.665	12.787	S	S	No	No
33	SOC	1854	SF	NWFP Urban Development Sector	0.000	0.202	S	S	No	No
34	SOC	1900	SF	Reproductive Health	0.000	0.000	U	S	No	Yes
35	SOC	1916	SF	Decentralized Elementary Education	0.000	0.000	S	S	No	No
36	SOC	1950	SF	Punjab Community Water Supply & Sanitation Sector	4.834	2.549	S	S	No	No
37	SOC	2060	SF	Southern Punjab Basic Urban Services	0.000	0.000	S	S	No	No
38	SOC	2061		Southern Punjab Basic Urban Services	0.000	0.000	S	S	No	No
39	SOC	2047		Sindh Devolved Social Services Program	0.000	0.000	S	S	No	No
40	SOC	2048	SF	Sindh Devolved Social Services Program	0.000	0.000	S	S	No	No
41	SOC	2049	SF	Sindh Devolved Social Services	0.000	0.000	S	S	No	No
42	FIN	1806	SF	Microfinance Sector Development	25.083	26.796	S	S	No	No

Table A1.9: —Continued

No.	Sector	Loan No.	Seg	Title	Cumulative Contracts/ Commitments (\$ million)	Cumulative Disbursements (\$ million)	Rating		Potential Problem ^a	At Risk ^b
							IP	DO		
43	FIN	1955		Financial (Nonbank) Markets and Governance Program	100.000	102.600	S	S	No	No
44	FIN	1956	SF	Strengthening Pension, Insurance and Saving Systems	0.000	0.000	S	S	No	No
45	FIN	1957	SF	Strengthening Regulatory Enforcement and Governance of Nonbank Financial Market	0.000	0.000	S	S	No	No
46	FIN	1987		Rural Finance Sector Development Program	100.000	102.250	S	S	No	No
47	FIN	1988		Rural Finance Sector Development	0.000	0.391	S	HS	No	No
48	OTH	2030		Punjab Resource Management Program	100.750	101.758	S	S	No	No
49	OTH	2031	SF	Supporting Resource Management Reforms in Punjab	0.000	0.000	S	S	No	No
50	OTH	1935		Decentralization Support Program	93.144	95.240	S	S	No	No
51	OTH	1936	SF	Decentralization Support Program	30.312	30.312	S	S	No	No
52	OTH	1937	SF	Local Government Performance Enhancement	0.000	0.000	S	S	No	No
53	OTH	1938	SF	Gender and Governance Mainstreaming	0.000	0.000	U	S	No	Yes
54	OTH	1897		Access to Justice Program	86.463	88.814	S	S	No	No
55	OTH	1898	SF	Access to Justice Program	62.698	62.698	S	S	No	No
56	OTH	1899	SF	Institutional Development for Access to Justice	0.163	0.263	S	S	No	No
Total					1,755.277	1,783.736				

Table A1.10: Assistance Pipeline for Lending Products, 2005-2006

Sector Project/Program Name	Poverty Classifi- cation	Thematic Priority	Division	Year of Project Preparatory Assistance	Total	Cost (\$ million)				Cofi- nancing
						ADB		Gov't	Total	
						OCR	ADF			
2005 Firm Loans										
Agriculture and Natural Resources										
1. Sector Analysis, Capacity Building, and Project Preparation for Rural Modernization	CPI	ECO	SAAE		tbd	0.0	5.0	5.0	tbd	tbd
2. Balochistan Rural Development and Drought Mitigation	CPI	GD/GOV	SAAE	2004	tbd	0.0	55.0	55.0	tbd	tbd
3. Agribusiness Development	PI	ECO/PSD	SAAE	2002	tbd	0.0	20.0	20.0	tbd	tbd
Subtotal					tbd	0.0	80.0	80.0	tbd	tbd
Energy										
4. Renewable Energy Development	PI	ECO/ENV	SAEN	2004	tbd	200.0	0.0	200.0	tbd	tbd
Subtotal					tbd	200.0	0.0	200.0	tbd	tbd
Finance										
5. Public-Private Infrastructure Financing Facility	PI	ECO/GOV/ PSD	SAGF	2003	tbd	0.0	15.0	15.0	tbd	tbd
Subtotal					tbd	0.0	15.0	15.0	tbd	tbd
Law, Economic Management, and Public Policy										
6. Punjab Resource Management Program-Subprogram 2	PI	ECO/GD/ GOV/PSD/ISD	SAGF		tbd	150.0	0.0	150.0	tbd	tbd
7. FATA Governance	PI	GD/GG/ISD	SAGF		tbd	0.0	5.0	5.0	tbd	tbd
Subtotal					tbd	150.0	5.0	155.0	tbd	tbd
Water Supply, Sanitation, and Waste Management										
8. Sindh Basic Urban Services	PI	GD/ENV/ ISD/GOV	SASS	2004	tbd	0.0	50.0	50.0	tbd	tbd
Subtotal					tbd	0.0	50.0	50.0	tbd	tbd
Multisector										
9. Megacity Renewal and Master Plan/Pilot Projects	PI	ENV/ISD/GOV/ PSD	SASS		tbd	0.0	10.0	10.0	tbd	tbd

ADB = Asian Development Bank, ADF = Asian Development Fund, CPI = core poverty intervention, ECO = economic growth, ENV = environment protection, FATA = Federally Administered Tribal Areas, GD = gender and development, GOV = good governance, ISD = inclusive social development, NWFP = North-West Frontier Province, OCR = ordinary capital resources, PI = poverty intervention, PSD = private sector development, REG = regional cooperation, SAAE = South Asia Agriculture, Environment, and Natural Resources Division, SAEN = South Asia Energy Division, SAGF = South Asia Governance, Finance and Trade Division, SASS = South Asia Social Sectors Division, SATC = South Asia Transport and Communications Division, tbd = to be determined.

Source: Asian Development Bank

Table A1.10—Continued

Sector Project/Program Name	Poverty Classifi- cation	Thematic Priority	Division	Year of Project Preparatory Assistance	Total	Cost (\$ million)				Cofi- nancing
						ADB		Total	Gov't	
						OCR	ADF			
10. Balochistan Devolved Social Services	CPI	GD/ISD/GOV	SASS	2004	tbd	0.0	60.0	60.0	tbd	tbd
11. Infrastructure Sector Technical Assistance Loan for Sector Analysis, Capacity Building, and Project Preparation	PI	ECO/ENV/REG			tbd	0.0	25.0	25.0	tbd	tbd
Subtotal					tbd	0.0	95.0	95.0	tbd	tbd
Transport and Communications										
12. Subregional Connectivity and Trade Facilitation	PI	ECO/REG	SATC		tbd	273.0	17.0 ^a	290.0	tbd	tbd
Subtotal						273.0	17.0^a	290.0	tbd	tbd
Total						623.0	245.0	885.0	tbd	tbd
Stand-By Project										
13. Public-Private Partnership Initiative for National Highways Development	PI	ECO/PSD	SATC	2005	tbd	50.0	0.0	50.0	tbd	tbd

^a From subregional cooperation.

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Table A1.10—Continued

Sector Project/Program Name	Poverty Classifi- cation	Thematic Priority	Division	Year of Project Preparatory Assistance	Total	Cost (\$ million)			Cofi- nancing	
						ADB		Gov't		
						OCR	ADF			Total
2006 Firm Loans										
Agriculture and Natural Resources										
1. Punjab Irrigated Agriculture Development Sector Project	PI	ECO/ISD/GOV	SAAE	2005	tbd	170.0	0.0	170.0	tbd	tbd
2. Sindh Coastal and Inland Community Development Project	PI	ECO/ENV	SAAE	2004	tbd	0.0	50.0	50.0	tbd	tbd
Subtotal					tbd	170.0	50.0	220.0	tbd	tbd
Energy										
3. Power Transmission Enhancement	PI	ECO	SAEN	2005	tbd	250.0	0.0	250.0	tbd	tbd
Subtotal					tbd	250.0	0.0	250.0	tbd	tbd
Law, Economic Management, and Public Policy										
4. Punjab Resource Management Program-Subprogram 3	PI	ECO/GD/GOV// PSD/ISD	SAGF		tbd	150.0	0.0	150.0	tbd	tbd
5. Punjab Local Justice Support Program	CPI	GD/GOV	SAGF	2005	tbd	0.0	60.0	60.0	tbd	tbd
6. FATA Governance	PI	GD/GOV/ISD	SAGF		tbd	0.0	25.0	25.0	tbd	tbd
Subtotal					tbd	150.0	85.0	235.0	tbd	tbd
Health, Nutrition, and Social Protection										
7. Social Health Insurance	PI	ISD	SASS	2005	tbd	0.0	30.0	30.0	tbd	tbd
Subtotal					tbd	0.0	30.0	30.0	tbd	tbd
Multisector										
8. Megacity Project I	PI	ENV/ISD/GOV// PSD	SASS	2005	tbd	115.0	0.0	115.0	tbd	tbd
9. NWFP Devolved Social Services	CPI	GD/ISD/GOV	SASS	2005	tbd	0.0	70.0	70.0	tbd	tbd
Subtotal					tbd	115.0	70.0	185.0	tbd	tbd
Transport and Communications										
10. District Roads Resource Management I	PI	ECO/GOV	SATC	2005	tbd	90.0	10.0	100.0	tbd	tbd
11. Public-Private Partnership Initiative for National Highway Development	PI	ECO/PSD	SATC	2005	tbd	50.0	0.0	50.0	tbd	tbd
Subtotal					tbd	140.0	10.0	150.0	tbd	tbd
Total					tbd	825.0	245.0	1070.0	tbd	tbd

Table A1.11: Assistance Pipeline for Nonlending Products and Services, 2005-2006

Sector Assistance Name	Responsible Division	Assistance Type	Sources of Funding				Total (\$'000)
			ADB		Others		
			Source	Amount (\$'000)	Source	Amount (\$'000)	
2005							
Agriculture and Natural Resources							
1. Punjab Irrigated Agriculture Development Sector Project	SAAE	PP	TASF	450.0		0.0	450.0
2. Preparation of National Agriculture Sector Strategy	SAAE	ID	TASF	250.0		0.0	250.0
Subtotal				700.0		0.0	700.0
Energy							
3. Power Transmission Enhancements	SAEN	PP	TASF	500.0		0.0	500.0
Subtotal				500.0		0.0	500.0
Finance							
4. Public-Private Infrastructure Financing Facility	SAGF	ID	TASF	300.0		0.0	300.0
5. Housing Finance			TASF	300.0			300.0
Subtotal				600.0		0.0	600.0
Law, Economic Management, and Public Policy							
6. Punjab Local Justice Program	SAGF	PP	TASF	300.0		0.0	300.0
7. Punjab Resource Management Program-Subprogram 3	SAGF	ID	TASF	150.0		0.0	150.0
8. FATA Governance	SAGF	ID	TASF	300.0		0.0	300.0
9. Decentralization Support Program	SAGF	ID	TASF	300.0		0.0	300.0
10. Strengthening NGO Engagement in ADB Policy and Operations	PRM	ID	TASF	150.0		0.0	150.0
11. Results-Based Monitoring of Projects	PRM	ID	TASF	300.0		0.0	300.0
12. Strengthening Domestic Consulting Services	PRM	ID	TASF	200.0		0.0	200.0
Subtotal				1,700.0		0.0	1,700.0
Health, Nutrition, and Social Protection							
13. Social Health Insurance	SASS	PP	tbd	350.0		0.0	350.0
Subtotal				350.0		0.0	350.0
Multisector							
14. Capacity Building for Decentralized Social Services (Balochistan)	SASS	ID	TASF	300.0		0.0	300.0
15. Decentralized Social Services (NWFP)	SASS	PP	tbd	350.0		0.0	350.0
16. Megacity Project I	SASS	PP	tbd	150.0			150.0
Subtotal				800.0		0.0	800.0

ADB = Asian Development Bank, FATA = Federally Administered Tribal Areas, ID = institutional development, NWFP = North-West Frontier Province, PP = project preparatory, SAAE = South Asia Agriculture, Environment, and Natural Resources Division, SAEN = South Asia Energy Division, SAGF = South Asia Governance, Finance and Trade Division, SASS = South Asia Social Sectors Division, SATC = South Asia Transport and Communications Division, TASF = Technical Assistance Special Fund, tbd = to be determined.

Source: Asian Development Bank

Continued on next page

Table A1.11—Continued

Sector Assistance Name	Responsible Division	Assistance Type	Sources of Funding		Total (\$'000)		
			ADB			Others	
			Source	Amount (\$'000)		Source	Amount (\$'000)
Transport and Communications							
17. Support for Infrastructure Sector TA loan		ID	TASF	150.0	0.0	150.0	
18. District Roads Resource Management	SATC	PP	TASF	400.0	0.0	400.0	
19. Public-Private Initiative for National Highway Development	SATC	PP	tbd	150.0	0.0	150.0	
Subtotal				700.0	0.0	700.0	
Total				5,350.0	0.0	5,350.0	

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Table A1.11—Continued

Sector Assistance Name	Responsible Division	Assistance Type	Sources of Funding				Total (\$'000)
			ADB		Others		
			Source	Amount (\$'000)	Source	Amount (\$'000)	
2006							
Agriculture and Natural Resources							
1. Water Sector Development	SAAE	PP	tbd	500.0		0.0	500.0
2. Border Area Rural Development-NWFP	SAAE	PP	TASF	500.0		0.0	500.0
Subtotal				1,000.0		0.0	1,000.0
Energy							
3. Power Distribution Enhancement	SAEN	PP	TASF	600.0		0.0	600.0
Subtotal				600.0		0.0	600.0
Finance							
4. Microfinance Development Program II	SAGF	PP	tbd	300.0		0.0	300.0
Subtotal				300.0		0.0	300.0
Governance, Finance and Trade							
5. Punjab Local Justice Project	SAGF	ID	TASF	500.0		0.0	500.0
6. FATA Governance	SAGF	ID	TASF	350.0		0.0	350.0
7. Balochistan Resource Management Program	SAGF	ID	TASF	350.0		0.0	350.0
8. Punjab Resource Management Program	SAGF	ID	TASF	200.0		0.0	200.0
Subtotal				1,400.0		0.0	1,400.0
Water Supply, Sanitation, and Waste Management							
9. Balochistan Basic Urban Services	SASS	PP	TASF	350.0		0.0	350.0
10. Punjab Secondary Towns Development	SASS	PP	TASF	400.0		0.0	400.0
Subtotal				750.0		0.0	750.0
Multisector							
11. Megacity Project-II	SASS	PP	TASF	150.0			150.0
12. Sindh-II Devolved Social Services	SASS	PP	tbd	500.0		0.0	500.0
13. Coordination of Devolved Social Services II	SASS	ID	TASF	150.0		0.0	150.0
14. NWFP Devolved Social Services	SASS	ID	TASF	150.0		0.0	150.0
Subtotal				950.0		0.0	950.0
Transport and Communications							
15. Subregional Connectivity and Trade Facilitation II	SATC	ID	TASF	350.0		0.0	350.0
Subtotal				350.0		0.0	350.0
Total				5,350.0		0.0	5,350.0

CONCEPT PAPERS FOR 2005 LENDING PRODUCTS

This appendix contains the concept papers for the following lending products.

- (i) Table A2.1 Sector Analysis, Capacity Building and Project Preparation for Rural Modernization
- (ii) Table A2.2: Balochistan Rural Development Project and Drought Mitigation
- (iii) Table A2.3 Agribusiness Development
- (iv) Table A2.4: Renewable Energy Development
- (v) Table A2.5: Punjab Resource Management Program—Subprogram 2
- (vi) Table A2.6: Federally Administered Tribal Areas (FATA) Governance
- (vii) Table A2.7: Public-Private Infrastructure Financing Facility
- (viii) Table A2.8: Mega-city Renewal and Master Plan/Pilot Projects
- (ix) Table A2.9: Devolved Social Services Program (Balochistan, North-West Frontier Province)
- (x) Table A2.10: Sindh Basic Urban Services
- (xi) Table A2.11: Subregional Connectivity and Trade Facilitation I
- (xii) Table A2.12: Infrastructure Sector TA loan for Sector Analysis, Capacity Building, and Project Preparation
- (xiii) Table A2.13: Public Private Partnership Initiative for National Highway Development

**Table A2.1: Sector Analysis, Capacity Building and Project Preparation
for Rural Modernization
Concept Paper**

Date: 30 July 2004

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input checked="" type="checkbox"/> Other: TA loan</p> <p><input type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Agriculture and natural resources Subsector: Agriculture sector development</p> <p>b. For project preparatory and lending, classification</p> <p><input checked="" type="checkbox"/> Core poverty intervention <input type="checkbox"/> Other</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <p><input checked="" type="checkbox"/> Sustainable economic growth <input type="checkbox"/> Environmental sustainability</p> <p><input type="checkbox"/> Inclusive social development <input type="checkbox"/> Regional cooperation</p> <p><input type="checkbox"/> Governance <input type="checkbox"/> Private sector development</p> <p><input type="checkbox"/> Gender and development</p>
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>
<p>4. Responsible division/department: Agriculture, Environment, and Natural Resources Division/ South Asia Department</p>
<p>5. Responsible ADB officer: Donneth A. Walton</p>
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: The rural sector underpins the economic and social structure of Pakistan's economy. Approximately 77% of the nation's population, and the vast majority of its poor, resides in rural areas. Most derive their living from agriculture and off-farm employment. Agriculture remains the single largest sector of Pakistan's economy, and is the most important sector for employment and income generation. The sector accounts for about 26% of real gross domestic product (GDP) and approximately 50% of employment. Growth in the sector has been stagnating over the past few years, although it is likely to remain the primary contributor for some time. An uncertain policy environment (especially concerning the prices and marketing of major crops) combined with widespread resource degradation has contributed to low productivity and profitability. Other contributors to the sector's poor performance include low quality inputs, poor support services, inefficient water resource management, inadequate rural infrastructure, and a deteriorating natural resource base.</p>

Secondary occupations have become more common in recent years as agriculture can no longer meet the income needs of a growing rural population. Landowners seek additional income by investing in business ventures outside the community. Other occupational groups are less able to invest in this manner and must seek paid employment outside the community or in urban areas. Lessee tenants obtain paid employment or invest in small businesses outside the village. Artisans have moved into related occupations where possible, but many families depend on income from family members working outside the village. Sharecroppers and landless laborers have few options, particularly if they are bonded.

Achieving high and sustained broad-based economic growth, reducing poverty, creating job opportunities, providing essential social and economic services and infrastructure to the poor, and improving governance in rural areas are fundamental development challenges for Pakistan. The importance of these challenges was noted in the government's June 2004 budget speech, in which rural modernization was identified as a priority area for improvement. The 2004 country programming mission identified the technical assistance (TA) loan as a government priority consistent with the Poverty Reduction Strategy Paper (PRSP), approved in December 2003.

b. Goal and purpose: To develop a holistic and integrated vision and provincial strategies for rural modernization.

c. Components and outputs: Based on the vision and strategies, the TA will develop best practice rural modernization frameworks and models in selected districts in each province on a pilot basis. Institutional structures and private-public partnerships will be proposed that could catalyze and coordinate the implementation of the rural development models. Assistance will also be provided for implementing the models in the districts. The models will also be replicated on a wider basis in other districts.

d. Expected results and deliverables: Accelerated rural modernization based on implementing rural modernization models. Provincial strategies will be prepared and models tested in each province on a pilot basis. Focal umbrella institutional mechanisms will be created to provide direction and coordination for rural modernization. Government capacity to plan, promote, and support rural modernization will be strengthened. A prioritized pipeline of high quality projects will be prepared.

e. Social or environmental issues or concerns: No adverse environmental impacts are expected from the loan activities. Pilot activities will comply with ADB safeguard policies. Communities will be fully involved in the planning and implementation of the modernization models in the pilot districts.

f. Plans for disseminating results/deliverables: Workshops, seminars, focus group discussions, and use of various media will be used to disseminate information, to publicize project activities, and to obtain stakeholder input.

7. Proposed executing/implementing agencies: Ministry of Food, Agriculture, and Livestock

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: The government has identified the modernization of the rural sector as a top priority. Relevant ministries; government agencies and institutions; nongovernment organizations; and private sector groups, including farmer organizations, processors, importers and exporters will be consulted during TA implementation to obtain their views on current conditions, recent developments, constraints, opportunities, policy issues, and required reforms to modernize the rural sector.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: 2004

b. Expected date of submission for approval

Lending: 2005

Nonlending (project preparatory): Not applicable

Nonlending (other than project preparatory): Not applicable

c. Period and duration of assistance

Lending: To be determined

Nonlending: Not applicable

10. Financing Plan

- a. For lending
- Ordinary capital resources:
 - Asian Development Fund: \$5 million
 - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

- b. For nonlending
- No resources required, other than ADB staff
 - ADB's administrative budget: \$
 - Grant TA funds
 - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

ADB = Asian Development Bank, CSP = country strategy and program, GDP = gross domestic product, PRSP = poverty reduction strategy paper, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table A2.2: Balochistan Rural Development and Drought Mitigation
Concept Paper**

Date: 30 July 2004

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p> <input checked="" type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input checked="" type="checkbox"/> Project preparatory</p> <p> <input type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p>
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Agriculture Subsector: Rural development</p> <p>b. For project preparatory and lending, classification</p> <p> <input checked="" type="checkbox"/> Core poverty intervention <input type="checkbox"/> Other</p> <p> <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <p> <input type="checkbox"/> Sustainable economic growth <input type="checkbox"/> Environmental sustainability</p> <p> <input type="checkbox"/> Inclusive social development <input type="checkbox"/> Regional cooperation</p> <p> <input checked="" type="checkbox"/> Governance <input type="checkbox"/> Private sector development</p> <p> <input checked="" type="checkbox"/> Gender and development</p>
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>
<p>4. Responsible division/department: Agriculture, Environment and Natural Resources Division, South Asia Department</p>
<p>5. Responsible ADB officer: Brian Fawcett</p>
<p>6. Description of assistances</p> <p>a. Background/linkage to country/regional strategy: Balochistan is the largest of Pakistan's four provinces, but is the least developed and has the smallest population. Poverty incidence is very pronounced, and literacy rates are very low, especially for women. More than 80% of the population lives in rural areas, with agriculture accounting for more than 65% of gross domestic product (GDP) and employing 60-65% of the labor force. Crops contribute about 60% of gross farm income and livestock about 35%. The province relies largely on subsistence agriculture and livestock rearing. Rural roads and tracks are poor in quality, and access to public services, drinking water, health, and education is poor. The government has announced a four-pronged strategy to improve rural livelihoods: (i) reviving the rural economy by improving opportunities for employment and income generation, particularly through revitalizing agriculture and promoting small- and medium-sized enterprise development; (ii) empowering the poor by expanding the household asset base; (iii) improving governance and the institutional framework; and (iv) improving physical infrastructure.</p> <p>b. Goal and purpose: The goal of the TA is to reduce the incidence of rural poverty in Balochistan through economic and social interventions that increase rural incomes, create jobs, and reduce resource and</p>

environmental degradation. The purpose of the TA is to assess and prioritize interventions to stimulate economic development in rural areas and mitigate drought impacts.

c. Components and outputs: Project interventions may include activities to (i) strengthen agricultural, crop, and livestock services, as well as productivity, to increase farmer incomes and employment, particularly of poor farmers; (ii) promote improved marketing, as well as agriculture enterprises and services delivered through the private sector; (iii) mitigate the impact of the current drought, focusing on community watershed and rangeland management improvements, and water conservation measures using water harvesting and small-scale community irrigation structures; (iv) improve farm-to-market access linkages through rural roads to promote agricultural production and marketing opportunities for poor farmers; (v) build the capacity of poor communities and local government offices, including capacities for community mobilization and gender integration, particularly for the empowerment of women; and (vi) address gender and social inclusion issues.

d. Expected results and deliverables: The proposed project is consistent with the provincial government's and ADB's poverty reduction strategies as enunciated in the provincial government's Poverty Reduction Strategy Paper, the poverty partnership agreement between the government and ADB, and ADB's 2003 country strategy and program update. It will build on lessons learned from experience on how to improve rural development and drought mitigation measures, to increase rural incomes, and to reduce rural poverty, especially for women. Major improvements in drought mitigation measures will be introduced, both in terms of natural resources and rangeland management, water conservation, and better management of water for irrigation. Agricultural and marketing improvements will increase incomes for poor farmers. Improved local governance arrangements, including improvements in public goods and service management; consideration of nongovernment and private sector alternatives; and enhanced community involvement will improve service delivery and development of the social capital of the poor, thereby contributing to improved rural livelihoods. The proposed project will seek to ensure that the policy environment supports improved rural development and governance. The focus will be on sustainable and socially equitable development.

e. Social or environmental issues or concerns: The population of Balochistan falls into three major ethnic groups—the Baloch, Pashtun (Pathan), and the Brahui—and a number of smaller ethnic groups. These groups are divided into tribes, which are further subdivided into clans. Women face various social restrictions. Women are generally more restricted and homebound in the Pashtun areas in the north and west of the province than in the Baloch areas of the central, southern, and extreme northeast. The proposed project will develop approaches to ensure distribution of benefits to the various ethnic groups and women.

f. Plans for disseminating results/deliverables: To be determined during implementation of the technical assistance (TA).

7. Proposed executing/implementing agencies: The project will develop an effective institutional mechanism to enhance rural development and drought mitigation through decentralized implementation.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: The relevant ministries, government agencies and institutions; nongovernment organizations (NGOs); indicative beneficiaries; and other stakeholders will be consulted on the project design process during TA implementation.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: CSP 2002
- b. Expected date of submission for approval
 - Lending: 2005
 - Nonlending (project preparatory): 2004
 - Nonlending (other than project preparatory): Not applicable
- c. Period and duration of assistance
 - Lending: To be determined
 - Nonlending: 2004, duration to be determined during TA fact-finding

10. Financing Plan

a. For lending

- Ordinary capital resources:
 Asian Development Fund: \$55 million
 Other: \$

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

b. For nonlending

- No resources required, other than ADB staff
 ADB's administrative budget: \$
 Grant TA funds \$600,000 (TASF/Cofinancing from government of Denmark)
 Other:

If cofinancing is required indicate sources, and amount sought: \$300,000 (Government of Denmark)

If known, provide cost estimates and financing arrangements. (e.g. total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

ADB = Asian Development Bank, CSP = country strategy and program, GDP = gross domestic product, RCSP = regional cooperation strategy and program, TA = technical assistance, TASF = technical assistance special fund.

**Table A2.3: Agribusiness Development Project
Concept Paper**

Date: 30 July 2004

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p> <input checked="" type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p> <input type="checkbox"/> Project preparatory</p> <p> <input type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p>
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Agriculture Subsector: Agribusiness</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Core poverty intervention <input type="checkbox"/> Other</p> <p> <input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <p> <input checked="" type="checkbox"/> Sustainable economic growth <input type="checkbox"/> Environmental sustainability</p> <p> <input type="checkbox"/> Inclusive social development <input type="checkbox"/> Regional cooperation</p> <p> <input type="checkbox"/> Governance <input checked="" type="checkbox"/> Private sector development</p> <p> <input type="checkbox"/> Gender and development</p>
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>
<p>4. Responsible division/department: Agriculture, Environment, and Natural Resources Division/ South Asia Department</p>
<p>5. Responsible ADB officer: Brian Fawcett</p>
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: The Asian Development Bank's (ADB) country strategy and program are aligned with and directly support Pakistan's vision of attaining higher and sustained pro-poor growth that seeks to translate the recent improvement in macroeconomic performance into greater reductions in poverty. The government recognizes that agriculture will continue to be the priority sector for its strategy in this regard. Some 75% of Pakistan's poor live in rural areas, while nearly the entire rural population depends either directly or indirectly on agriculture for their livelihood. Against this background, the government has emphasized the importance of private-sector-led agribusiness development to achieving its economic growth and poverty reduction objectives. More rapid development of agribusiness in particular has the potential to increase employment opportunities, enhance rural incomes, and help diversify the rural economy.</p> <p>b. Goal and purpose: The goal of the project is to promote economic growth and private sector development by creating an enabling environment, capacity building, and institutional strengthening for agribusiness development. The project purpose is to diversify and commercialize crop production, increase value addition in agriculture, broaden rural employment opportunities, and raise agricultural exports.</p>

c. Components and outputs: The project components are expected to include (i) policy formulation and supporting the creation of an enabling environment, (ii) capacity building for agribusiness support, (iii) agribusiness support fund, (iv) support for agribusiness finance, and (v) project implementation support and technical assistance (TA). Specific outputs are expected to include development of a national agribusiness policy and provincial horticultural development policies; capacity building and institutional strengthening to facilitate compliance with international codes and standards; establishment of a private-sector market information service; creation of a livestock and dairy development board; establishment of an agribusiness support fund that will provide seed money to agribusiness entrepreneurs; greater participation of private financial institutions in the partial credit guarantee scheme established under the Small and Medium Enterprise (SME) Sector Development Project; and the establishment of a project implementation unit at the central levels and project offices and the provincial level.

d. Expected results and deliverables: The project will promote accelerated agricultural growth and poverty reduction through creation of a stronger enabling environment for private agribusiness activity, provision of business development services and improved access to finance for agribusiness entrepreneurs, and institutional development and organizational capacity building in key government ministries/agencies. The project will promote agroenterprise development and formation of farmer/producer groups that in turn will facilitate greater diversification and increased value addition of agricultural output in Pakistan. Specific beneficiaries are expected to include the rural poor, small farmers, and small- and medium-sized agroenterprises.

e. Social or environmental issues or concerns: By improving rural incomes and promoting a more diverse agricultural production base, the project will contribute directly to poverty reduction and improve a range of other social and economic indicators in Pakistan. Institutional strengthening and capacity building for policy formulation and planning, as well as better compliance with international phytosanitary and food safety standards, should also help enhance land and water quality, conserve scarce natural resources, improve the quality of the food supply, and make farming more remunerative and sustainable in the long run.

f. Plans for disseminating results/deliverables: A broad range of information campaigns, promotional workshops, training programs, and stakeholder consultations will be conducted throughout the country during project implementation.

7. Proposed executing/implementing agencies: The executing agency will be the Ministry of Food, Agriculture and Livestock (MINFAL), which will chair the project steering committee. A key implementing agency will be the Ministry of Commerce, given its mandate to promote horticultural production and the development of agro-exports. The Pakistan Horticulture Export Development Board and the Livestock and Dairy Development Board (to be established) will also be important implementation partners and project facilitators. A project implementation unit will be established at the federal level with associated project offices in each of the four provinces.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: ADB staff and the technical assistance (TA) consultants met with over 900 individual stakeholders from both the private and public sectors during the course of project preparatory technical assistance (PPTA) implementation. The constraints on and development needs of agribusiness were identified during field visits, workshops, strategy groups, participative consultations, and stakeholder consultation sessions.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: 2002
- b. Expected date of submission for approval
 - Lending: 2005
 - Nonlending (project preparatory): Not applicable
 - Nonlending (other than project preparatory): Not applicable
- c. Period and duration of assistance
 - Lending: 2005-2010
 - Nonlending: Not applicable

10. Financing Plan

a. For lending

- Ordinary capital resources:
- Asian Development Fund: \$20 million
- Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g. total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	

Source:

b. For nonlending

- No resources required, other than ADB staff
- ADB's administrative budget
- Grant TA funds
- Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	

Source:

ADB = Asian Development Bank, CSP = country strategy and program, MINFAL = Ministry of Food, Agriculture, and Livestock, PPTA = project preparatory technical assistance, RCSP = regional cooperation strategy and program, SME = small and medium enterprise, TA = technical assistance.

**Table A2.4: Renewable Energy Development
Concept Paper**

Date: 30 July 2003

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input checked="" type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input checked="" type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Energy Subsector: Power</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable Economic growth</td> <td><input checked="" type="checkbox"/> Environmental Sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive development</td> <td><input type="checkbox"/> Regional Cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private Sector Development</td> </tr> <tr> <td><input type="checkbox"/> Gender and Development</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Sustainable Economic growth	<input checked="" type="checkbox"/> Environmental Sustainability	<input type="checkbox"/> Inclusive development	<input type="checkbox"/> Regional Cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private Sector Development	<input type="checkbox"/> Gender and Development	
<input checked="" type="checkbox"/> Sustainable Economic growth	<input checked="" type="checkbox"/> Environmental Sustainability							
<input type="checkbox"/> Inclusive development	<input type="checkbox"/> Regional Cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private Sector Development							
<input type="checkbox"/> Gender and Development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Energy Division, South Asia Department</p>								
<p>5. Responsible ADB officer: Samuel Tumiwa</p>								
<p>6. Description of assistances</p> <p>a. Background/linkage to country/regional strategy: Pakistan is a net importer of energy. Each year it spends \$3 billion to import oil to meet its energy needs. This is equivalent to about 30% of total imports. It is a heavy burden on the government's foreign exchange regime and a concern for national security. Recent high oil prices and their continuous fluctuations further complicate this problem. Most imported energy is for electricity generation. More than 70% of Pakistan's electricity comes from thermal sources, a little less than 30% from hydro, and less than 1% from with renewable and other sources. Even with all this imported energy, Pakistan currently faces a 20% power shortage. Only 55% of Pakistan's population has access to electricity from the national grid. The remaining use kerosene, wood, and other bio-fuels for lighting, cooking, and heating. In fact, Pakistan has one of the lowest levels of per-capita energy consumption in the world. To address this energy shortage, the government has decided to put greater emphasis on renewable energy (RE). In May 2003, it announced that it had set a target of having RE at 10%, or 2,700 megawatts (MW), of the country's energy mix by 2015.</p> <p>b. Goal and purpose: The goal of the project is improved economic productivity from improved reliability of the power system. The purpose of the project is to help Pakistan promote the use of renewable energy sources for</p>								

power generation to meet its target of 10% of the energy mix coming from renewable sources by 2015. The technical assistance (TA) project will result in the following studies, analyses, and reports: (i) analysis of renewable energy potential for each province, (ii) feasibility studies for selected sample subprojects for financing under the ensuing loan, and (iii) a capacity building needs assessment and institutional development plan.

c. Components and outputs: The project will have three components:

(i) A broad review of the potential for various RE technologies in each province to determine the most appropriate subprojects for funding by the ensuing loan. The TA project will focus on specific RE technologies in each province:

(a) Balochistan: wind, solar, and hybrid systems;

(b) North-West Frontier Province (NWFP): small hydropower from perennial, abundant high-head rivers;

(c) Punjab: low-head, high-volume small hydropower stations that can be installed in the extensive irrigation canal system in perennial flow in the province; and

(d) Sindh: small hydro, wind, and solar energy projects, as well as hybrid systems.

(ii) Feasibility studies. Based on the reviews above, the TA consultants will work with the executing agencies (EAs) to prioritize subprojects in each province. The selected subprojects will be based on least-cost analysis for power system expansion, consistent with ADB's Energy Policy 2000. The TA project consultants will then conduct feasibility studies for sample projects in each province (about 2 per province) to be financed under the ensuing loan. The feasibility studies will include technical, economic, financial, environmental, and social analyses.

(iii) Capacity building needs assessment. The TA project will conduct an assessment of the capacity building needs of the respective EAs in order for them to plan and implement renewable energy projects as well as identify specific additional feasibility studies that can be conducted in each province. Recommendations from this needs assessment are expected to be implemented under the loan.

d. Expected results and deliverables: The TA will result in the following studies, analyses, and reports: (i) analysis of renewable energy potential for each province, (ii) feasibility studies for selected sample subprojects for financing under the ensuing loan, and (iii) a capacity building needs assessment and institutional development plan.

e. Social or environmental issues or concerns: Since the project is to prepare for a sector loan, it will prepare a framework social and environmental assessment. Specific social and environmental issues will be identified and addressed during loan implementation. However, no significant social or environmental issues are expected.

f. Plans for disseminating results/deliverables: To be determined

7. Proposed executing/implementing agencies: Provincial Departments of Irrigation and Power for Balochistan, NWFP, Punjab, and Sindh.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Provincial governments. The local authority of the later to be identified project sites. Nongovernment organization (NGO) identification to be done during project-preparatory technical assistance (PPTA) fact-finding.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: CSPU 2002

b. Expected date of submission for approval

Lending: 2005

Nonlending (project preparatory): 2004

Nonlending (other than project preparatory): Not applicable

c. Period and duration of assistance

Lending: 4 years

Nonlending: 18 months

10. Financing Plan

a. For lending

- Ordinary capital resources: \$200 million
 Asian Development Fund:
 Other: \$

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g. total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

b. For nonlending

- No resources required, other than ADB staff
 ADB's administrative budget: \$
 Grant TA funds: \$550,000 (Japan Special Fund)
 Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g. total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

ADB = Asian Development Bank, CSP = country strategy and program, EA =executing agency, MW = megawatt, NGO = nongovernment organization, NWFP = North West Frontier Province, PPTA = project preparatory technical assistance, RCSP = regional cooperation strategy and program, RE = renewable energy, TA = technical assistance.

**Table A2.5: Punjab Resource Management Program—Subprogram 2 and 3
Concept Paper**

Date: 30 July 2004

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input checked="" type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input checked="" type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Public sector management, governance Subsector: Not applicable</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input checked="" type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input checked="" type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development							
<input checked="" type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Governance, Finance and Trade Division and Pakistan Resident Mission, South Asia Department</p>								
<p>5. Responsible ADB officer: Jorn Brommelhorster</p>								
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: Despite many initiatives aimed at developing Pakistan's economic and social sectors, the country's level of development remains below its potential and social indicators are lagging. A crisis of governance encompassing public institutions and functions has been identified as a central element of the poor development performance both at the federal and provincial levels. The Asian Development Bank (ADB), too, has included governance reform as a central pillar of its assistance program for Pakistan. The government has initiated reform measures at various levels, including the provinces, and ADB has been requested to assist Punjab in reforming its public sector and processes. A cluster program has been initiated in 2003 and shall be implemented over a period of about 5 years. The second and third subprograms are for approval in 2005 and 2006.</p> <p>b. Goal and purpose: The goal of the program is to support poverty reduction through good governance, including improved public sector resource management. Increased participation and competence for transparent, accountable, and sustainable public service delivery aim to generate benefits targeted at the poor, including creation of opportunities and enhanced social protection. The program will complement other governance</p>								

related initiatives, in particular related to decentralization, fiscal, and financial management reform, and decentralized social service delivery.

c. Components and outputs: Back-to-back subprograms will be provided under the cluster-program modality. The program cluster consists of the following three components: (i) reforming provincial finances through fiscal restructuring and financial management, (ii) reforming processes and institutions for pro-poor service delivery, and (iii) creating opportunities for growth and income generation through private-sector development. Emphasis of subprograms 2 and 3 will be on program areas (ii)–(iii), with details for each subprogram confirmed based on experience and progress in implementation of the preceding subprogram.

d. Expected results and deliverables: Increase in fiscal space and share in budget allocation for development expenditures; reduced provincial liabilities; adequate planning and expenditure management mechanisms with involvement of civil society; increased coverage and quality of social services; decreased direct government participation in market-based economic activities; and a professional civil service based on merit, modernized rules, and clear accountability.

e. Social or environmental issues or concerns: No adverse social or environmental concerns are expected.

f. Plans for disseminating results/deliverables: Stakeholder workshops and consultation. Integration of civil society in program formulation.

7. Proposed executing/implementing agencies: The executing agency is the Punjab Planning and Development Department. Various departments will be responsible for implementation.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: The full involvement of the executing agency is expected. Active involvement of civil society and stakeholders will be sought.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: CSPU 2004
- b. Expected date of submission for approval
 Lending: July 2005 (subprogram 2), July 2006 (subprogram 3)
 Nonlending (project preparatory): 2005 (subprogram 3)
 Nonlending (other than project preparatory): Not applicable
- c. Period and duration of assistance
 Lending: 2-3 years
 Nonlending: To be determined

10. Financing Plan

- a. For lending
- Ordinary capital resources: \$150 million (each for subprogram 2 and 3)
- Asian Development Fund:
- Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g. total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

- b. For nonlending
- No resources required, other than ADB staff
- ADB's administrative budget: \$
- Grant TA funds: \$250,000 (TASF) in 2004; \$150,000 (TASF) in 2005; \$200,000 (TASF) in 2006
- Other:

If cofinancing is required indicate sources, and amount sought:
If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance, TASF = Technical Assistance Special Fund.

**Table A2.6: Federally Administered Tribal Areas (FATA) Governance Reform Project
Concept Paper**

Date: 30 July 2004

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p><input checked="" type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Governance Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental Sustainability</td> </tr> <tr> <td><input checked="" type="checkbox"/> Inclusive Social Development</td> <td><input type="checkbox"/> Regional Cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Gender and Development</td> <td></td> </tr> </table>	<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental Sustainability	<input checked="" type="checkbox"/> Inclusive Social Development	<input type="checkbox"/> Regional Cooperation	<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Gender and Development	
<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental Sustainability							
<input checked="" type="checkbox"/> Inclusive Social Development	<input type="checkbox"/> Regional Cooperation							
<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input checked="" type="checkbox"/> Gender and Development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Pakistan Resident Mission, South Asia Department</p>								
<p>5. Responsible ADB officers: Douglas Porter</p>								
<p>6. Description of assistances</p> <p>a. Background/linkage to country/regional strategy: Until very recently, the Federally Administered Tribal Areas (FATA), on the western part of the North-West Frontier Province (NWFP) and bordering Afghanistan, were operating largely outside the ambit of Pakistan's normal governance system. To draw FATA into the political and social mainstream, the government has recently announced some political initiatives. These include increasing the representation of FATA in the National Assembly and Senate, and, for the first time, providing representation of FATA in the NWFP provincial assembly. The government intends to extend initiatives related to the devolution plan to FATA. In this context, the government plans to hold elections for local bodies. Further, many important steps for improving FATA administration have been taken, including the creation of a FATA secretariat and streamlining of the service delivery departments.</p> <p>b. Goal and purpose: The government has taken initial steps to bring FATA into line with key policies, laws, and institutional reforms promoted under the Decentralization Support Program (DSP) and the Access to Justice Program (AJP). These steps need to be supplemented by developing the government's institutional capacity for anchoring the entire vector of governance reforms, including administrative, legal, and economic reforms. The proposed project will support investment components, institution and capacity building components, and</p>								

policy/legal reforms in FATA.

c. Components and outputs: A detailed reform agenda and a related capacity building plan will be designed under a proposed institutional development technical assistance (IDTA) included in the program for 2004. The proposed TA is expected to support implementation of that plan, including (i) support for installation and capacity development for all institutions provided for under the prevailing laws for local government, including both political and administrative organs of government; (ii) strengthening and institutionalizing of both formal and alternative dispute resolution institutions; (iii) consolidating institutional development to ensure citizens' rights to independent prosecution services, a professional, well trained, and pro-poor legal aid system, and a reoriented subordinate (local) judiciary equipped with delay-reduction techniques; (iv) reorienting the *thana* (police station) working by instituting gender-sensitive human rights related policy and institutional reforms leading to a service-oriented, accountable local police system; (v) supporting the justice-dispensing local institutions in the context of local government law such as the office of district ombudspersons, public safety commissions, elected *insaaf* (justice) and *masalihah* (mediation) committees, women councilors' resource centers, and family protection centers; (vi) supporting civil society groups and coalitions working for human rights, accountability, and local justice; and (vii) financial reforms covering taxation and revenue collection.

d. Expected results and deliverables: Refinement and strengthening of policy/legal framework, institutions and fiscal systems concerning (i) local government, accountability, and service delivery, (ii) subordinate courts and alternate dispute resolution procedures, and (iii) local policing.

e. Social or environmental issues or concerns: Not applicable

f. Plans for disseminating results/deliverables: To be determined

7. Proposed executing/implementing agencies: To be determined

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Consultations with Ministry of Kashmir Affairs and Northern Areas and States and Frontier Regions (KANA & SAFRON), federal and provincial governments, the governor of NWFP, FATA secretariat officials, civil society organizations, and other funding agencies working in Pakistan.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: CSPU 2003

b. Expected date of submission for approval
 Lending: 2005
 Nonlending (project preparatory): Not applicable
 Nonlending (other than project preparatory):

c. Period and duration of assistance
 Lending: To be determined
 Nonlending:

10. Financing Plan

- a. For lending
- Ordinary capital resources:
 - Asian Development Fund: \$5 million
 - Other: \$

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g. total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

b. For nonlending

- No resources required, other than ADB staff
 ADB's administrative budget:
 Grant TA funds
 Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

ADB = Asian Development Bank, AJP = Access to Justice Program, CSP = country strategy and program, DSP = Decentralization Support Program, FATA = Federally Administered Tribal Areas, IDTA = institutional development technical assistance, KANA & SAFRON = Ministry of Kashmir Affairs and Northern Areas and States and Frontier Regions, NWFP = North West Frontier Province, RCSP = regional cooperation strategy and program, TA = technical assistance, TASF = Technical Assistance Special Fund

**Table A2.7: Public-Private Infrastructure Financing Facility
Concept Paper**

Date: 30 July 2004

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input checked="" type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Finance Subsector: Finance-private Infrastructure</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input checked="" type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Governance, Finance and Trade Division, South Asia Department</p>								
<p>5. Responsible ADB officer: V. V. Subramanian</p>								
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: Pakistan's infrastructure is grossly inadequate when compared to world standards and has been identified as a critical factor holding back economic growth. Investment was largely driven by the public sector, but often poorly funded with weaknesses in particular in operation and maintenance. The government has embarked on a policy shift to increase private sector participation, but this needs to be leveraged through further reforms in the financial sector, as well as additional resources, to derive the full benefit. According to government budget announced in June 2004, \$3 billion per year of new investments in development projects and infrastructure are required for the next 5 years. However, government estimates show that it will only be able to fund \$1.5 billion per year, or 50% of these needed infrastructure investments. The rest must come from the private sector through public-private partnerships (PPPs).</p>								

The opportunities for developing and financing public-private partnerships in Pakistan are considerable. There is proven demand for new projects in the water, wastewater, solid waste, and transportation; the economy is growing; local and international investors are interested in PPPs; and government commitment to decentralization and market solutions to infrastructure is strengthening. This combination of attributes, along with other country specific and regional trends, makes PPP opportunities considerable and realistic.

There are also a large number of constraints to PPPs in Pakistan. Many of these constraints focus on the lack of effective institutions and capabilities to create the conditions that investors and lenders require. There are also legal and regulatory constraints for providing infrastructure services, enforcing contracts, and setting and adjusting tariffs. These could undermine the confidence of investors and produce ambiguity regarding authority and jurisdiction. Other notable constraints include the serious lack of capacity, especially within provincial governments to identify, structure, tender, negotiate, and regulate viable PPP projects in the key sectors. Lastly, a key constraint is the lack of long-term rupee funds available in the local capital market to support PPP projects and the lack of financial instruments to enhance long-term credit and leverage additional investment in affordable and bankable projects.

b. Goal and purpose: The project seeks to increase private-sector investment in infrastructure and thereby promote economic growth and reduce poverty.

c. Components and outputs: The project will help address the constraints for attracting private participation in infrastructure and help develop a policy and operational framework to address risks associated with financing infrastructure projects. The project will promote public-private partnerships and facilitate the processing of new infrastructure projects—in particular roads, water supply, sewerage and sanitation, solid waste management, airports, and other public utilities—that can be developed by the private sector. The policy component under the project will help address the key constraints affecting increased private-sector participation in infrastructure development in Pakistan, including institutional and regulatory issues. The focus will be on establishing the right market structures, particularly at the provincial level, and suggesting changes to approaches, institutional reorganization, policy, and regulations to attract the private sector to infrastructure development. The Asian Development Bank (ADB) loan from the Asian Development Fund (ADF) could help establish the recommended institutional and regulatory framework at the provincial level, as well as enhance capacity of the infrastructure lending institutions to appraise and lend for infrastructure projects. The investment component will identify new funding sources, institutions, and mechanisms for new infrastructure projects. One option that will be examined includes an ADB loan of \$200 million from ordinary capital resources (OCR), with the 20-year term typically required for funding infrastructure projects, to an existing private financial intermediary backed by government guarantees. Under this arrangement, the government will not borrow directly but will take only an institutional risk with a contingent liability in its books. This could be further complemented by ADB's risk-mitigating guarantee products such as partial credit /political risk guarantees, providing additional comfort and cover to the private sector/lenders.

d. Expected results and deliverables: Accelerated infrastructure development through increased private-sector participation, thereby promoting economic growth and reducing poverty.

e. Social or environmental issues or concerns: Environmental impact assessments will be undertaken for subprojects to be financed under the proposed facility.

f. Plans for disseminating results/deliverables: Workshops/seminars.

7. Proposed executing/implementing agencies: Will be decided based on the design of the project.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:
The full involvement of the executing agency is expected.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: CSPU 2003
- b. Expected date of submission for approval
 - Lending: November 2005
 - Nonlending (project preparatory): Not applicable
 - Nonlending (other than project preparatory): November 2005

- c. Period and duration of assistance
 Lending: 5 years
 Nonlending: will be determined during fact-finding

10. Financing Plan

- a. For lending
 Ordinary capital resources: to be decided in consultation with government
 Asian Development Fund: \$15 million
 Other. None

If cofinancing is required indicate sources, and amount sought:
 If known, provide cost estimates and financing arrangements (e.g. total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	

Source:

- b. For nonlending
 No resources required, other than ADB staff
 ADB's administrative budget: \$
 ADB PRG/PCG products
 Other:

If cofinancing is required indicate sources, and amount sought:
 If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	

Source:

ADB = Asian Development Bank, ADF = Asian Development Fund, CSP = country strategy and program, OCR = ordinary capital resources, PCG = partial credit guarantee, PPP = public-private partnership, PRG = political risk guarantee, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table A2.8: Mega-city Renewal and Master Plan/Pilot Projects
Concept Paper**

Date: 30 July 2004

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p><input checked="" type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input checked="" type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sectors: Subsectors:</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p><input type="checkbox"/> Other</p> <p>c. Key thematic areas</p> <table> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input checked="" type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input checked="" type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input type="checkbox"/> Sustainable economic growth	<input checked="" type="checkbox"/> Environmental sustainability	<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input type="checkbox"/> Sustainable economic growth	<input checked="" type="checkbox"/> Environmental sustainability							
<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input checked="" type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Social Sectors Division/South Asia Department</p>								
<p>5. Responsible ADB officer: To be determined</p>								
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: In rapidly urbanizing large cities, embedded with deficient basic urban services, particularly for the poor and disadvantaged people, the management of urban areas and environment for improved living becomes increasingly challenging. Pakistan has one of highest rates of population growth in the region at about 2% per annum, with a total population of 149 million. The country's total urban population is about 52 million, which is 35% of the total population, increasing at a faster rate of around 4% annually. With rapid urbanization and high urban population, the two mega cities, Karachi and Lahore, in particular, and other major cities such as Hyderabad, Faisalabad, Multan, Peshawar, Rawalpindi, Sialkot, and Sukkur have expanded in size and magnitude over the recent years without much of planned interventions. Karachi has the highest concentration of the urban population of 14 million, followed by Lahore with over 12 million population, growing annually at around 6% and over 5%, respectively; the other major cities have also large population varying between 3 million to 6 million.</p>								

Pakistan's economy has significantly rebounded over the last few years. Its overall economic performance continued to improve and key macroeconomic indicators during the fiscal year 2004 were better than any time in the past decade. In the FY 2004, the Gross Domestic Product (GDP) recorded a growth of 6.4% compared with 5.1% in FY 2003, and the manufacturing sector which achieved a growth of 13.4% contributed greatly to this significant growth. The continued economic recovery and higher GDP growth also accelerated the rate of urbanization, and the high growth rate of urban population is expected to continue in the foreseeable future, given increasing migration from rural areas for jobs, and growing industrial and commercial activities in urban areas. By 2020, the country's total urban population is projected to reach over 80 million, comprising around 50% of the total population.

Continuing expansion of the major cities and overcrowding by high population pressure have resulted in deteriorating the city environments and living conditions of the people. Severe deficiencies have developed in basic urban services in cities such as water supply, sewerage systems, drainage, solid waste management, transportation, and community facilities. These deficiencies have particularly affected the urban poor and worsened their quality of life, making them more vulnerable to poor health, harsher socio-economic conditions, and increased poverty. About 45% of urban inhabitants are living in slums and informal settlements, known as *katchi abadis*.

The Government recognizes the adverse socio-economic implications of the fast growing urban population, particularly in major cities, and considers the needed improvement to urban environment, and services and infrastructure, as a matter of serious attention. Such improvement, appropriately guided by equity considerations, will be an important contributor to poverty reduction, and will stimulate economic growth, higher productivity, and employment. The Government has requested the ADB 2004 Country Programming Mission for assistance for urban renewal and development which would focus on mega/major cities. The key areas for assistance for urban renewal and development would be: rehabilitation and improvement in the water supply and sewerage systems; improvement of city transport systems; and improvement of living conditions in slum areas.

The ADB country strategy and program update (2004-2006) for Pakistan continues to focus on poverty reduction through sustainable pro-poor growth, inclusive social development, and good governance. It also highlights the need to support human resources development and social infrastructure requirements; policy environment for improved macroeconomic management and economic stabilization; and devolution of social services. For poverty reduction and improved delivery of basic services to the people, particularly the disadvantaged and poor segments of the population, the effective use of the ADB assistance is emphasized in the strategy. Within this framework, the priority areas for ADB support in the urban sector would include promoting sustainable environmental management; addressing the basic needs of the poor, improving social services delivery; promoting private sector involvement and community participation in urban development; and supporting cost recovery and revenue generation by concerned agencies.

b. Goal and purpose: To assist the Government in the development of a holistic and comprehensive vision and strategy, master plans, as well as action plans, for the selected mega/major cities development, aimed at providing sustainable urban facilities and delivery of services, improving urban environments, and enhancing the quality of living, with special attention to the urban poor.

c. Components and outputs: The TA will (i) carry out detailed study of the needs and priorities of the mega/major cities development and improved delivery of services; (ii) develop a vision, strategy, and master plan for mega/major cities development; (iii) develop action plans and portfolio of investment projects for selected mega/major cities (iv) conduct socio-economic studies of the urban population, with particular focus on the poor and disadvantaged groups; and (v) assess the institutional structure and capacity building needs of the city governments and concerned agencies for necessary restructuring and support. In addition, the TA will develop systems for financial management, accounting and budgeting, and piloting public-private partnership models for the development of urban infrastructure and delivery of selected services. The TA will also prepare an inventory of unutilized/abandoned government lands and plans for productive uses for such lands, for the benefit of low-income groups and the poor.

d. Expected results and deliverables: To be determined during TA preparation.

e. Social or environmental issues or concerns: To be determined during TA preparation.

f. Plans for disseminating results/deliverables: To be determined during TA preparation.

<p>7. Proposed executing/implementing agency or agencies: Concerned provincial government agencies/ city district governments.</p>																								
<p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Stakeholders in the government, local government bodies and community representatives, donors, and NGOs would be closely consulted and involved during the TA implementation. In addition, workshops and focus group will be organized at different stages of the TA implementation.</p>																								
<p>9. Timetable for assistance design, processing, and implementation</p> <p>a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2004</p> <p>b. Expected date of submission for approval Lending: 2005 Nonlending (project preparatory): Not applicable Nonlending (other than project preparatory): Not applicable</p> <p>c. Period and duration of assistance Lending: To be determined Nonlending: Not applicable</p>																								
<p>10. Financing Plan</p> <p>a. For lending <input type="checkbox"/> Ordinary capital resources: \$ <input checked="" type="checkbox"/> Asian Development Fund: \$10 million <input type="checkbox"/> Other:</p> <p>If cofinancing is required, indicate amount and sources sought: \$____, from _____. If known, provide cost estimates and financing arrangements.</p> <table border="1"> <thead> <tr> <th>Source</th> <th>Amount (\$)</th> </tr> </thead> <tbody> <tr> <td>ADB Financing</td> <td></td> </tr> <tr> <td>Government Financing</td> <td></td> </tr> <tr> <td>Other Financing</td> <td></td> </tr> <tr> <td>Total Cost</td> <td></td> </tr> <tr> <td>Source:</td> <td></td> </tr> </tbody> </table> <p>b. For nonlending <input type="checkbox"/> No resources required, other than ADB staff <input type="checkbox"/> ADB's administrative budget: \$ <input type="checkbox"/> Grant TA funds <input type="checkbox"/> Other:</p> <p>If cofinancing is required, indicate amount and sources sought: \$____, from _____. If known, provide cost estimates and financing arrangements.</p> <table border="1"> <thead> <tr> <th>Source</th> <th>Amount (\$)</th> </tr> </thead> <tbody> <tr> <td>ADB Financing</td> <td></td> </tr> <tr> <td>Government Financing</td> <td></td> </tr> <tr> <td>Other Financing</td> <td></td> </tr> <tr> <td>Total Cost</td> <td></td> </tr> <tr> <td>Source:</td> <td></td> </tr> </tbody> </table>	Source	Amount (\$)	ADB Financing		Government Financing		Other Financing		Total Cost		Source:		Source	Amount (\$)	ADB Financing		Government Financing		Other Financing		Total Cost		Source:	
Source	Amount (\$)																							
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Total Cost																								
Source:																								

ADB = Asian Development Bank, CSP = country strategy and program, GDP = gross domestic product, RCSP = regional cooperation strategy and program, TA = technical assistance, tbd = to be determined.

**Table A2.9: Devolved Social Services Program
(Balochistan, North-West Frontier Province)
Concept Paper**

Date: 30 July 2004

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input checked="" type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input checked="" type="checkbox"/> Project preparatory</p> <p><input checked="" type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Social services Subsector: Education, health, drinking water supply, sanitation, and related services</p> <p>b. For project preparatory and lending, classification</p> <p><input checked="" type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input checked="" type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Gender and development	
<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input checked="" type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Social Sectors Division, South Asia Department</p>								
<p>5. Responsible ADB officers: Brajesh Panth (Punjab), Axel Weber (Balochistan). Responsibility for North-West Frontier Province (NWFP) to be determined.</p>								
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: Poverty reduction strategy papers (PRSPs) and sector programs will serve as the basis for achieving the social sector targets for poverty reduction, human development, and gender parity in the coming years. ADB's poverty reduction strategy also supports social development along with governance and pro-poor economic growth. Before and during the Social Action Program, provincial governments expanded the network of public schools, clinics, and related schemes. However, social indicators are still very poor, and many services are not working satisfactorily or are closed because of problems relating to governance, access, and quality of services. The devolution of social services to local governments offers new opportunities for social sector development in terms of ownership, adoption to local needs, transparency, and community involvement. It also faces challenges in terms of limited institutional, financial, and technical capacities to prioritize and address the gaps in service delivery. While overall provincial commitment for social sector development has grown stronger, the capacity to develop better quality and more</p>								

sustainable services remains limited. To achieve their Millennium Development Goals (MDGs), provinces will have to provide strong leadership and mobilize all stakeholders. The CSPU includes 4 devolved social services sector development programs (DSSPs), respectively for Sindh (approved 2003), Punjab (2004), Balochistan (2005), and NWFP (2006), for a total of \$435 million. The proposed SDPs will be supported by the Decentralization Support Program and Structural Adjustment Credits/Resource Management Programs (SACs/RMPs).

b. Goal and purpose: The provincial PRSPs will include targets for education, health, clean water supply, and sanitation. The objectives are to improve the performance of social services, strengthen devolution, and develop a social sector that is more effective, efficient, equitable, and sustainable, through capacity building, participation, financing, and reforms.

c. Components and outputs: Based on multiple rounds of consultations, a sector development program (SDP)-type support is proposed. One self-standing loan is proposed for each province, adapted to local priorities and implemented over a period of up to 5 years. Each SDP will include policy-based program lending and project lending for social service delivery. The policy-based lending will aim at strengthening capacity, roles, linkages, reforms, participation, and sustainable financing. Program support in the first and second years will help offset the costs of grant transfer to local governments. The project will provide a fund supplementary to the provincial finance commission award (PFC) that local governments will draw on to improve and, where justifiable, extend social services based on local priorities (education, health, population welfare, rural water supply, sanitation, and related services such as renewable energy provision). The province will distribute formula-based supplementary grants to local governments for social services. Local governments can avail of these funds through annual plans, within broad parameters of scope, distribution, quality, and performance. Additional performance-based funding will be provided on a competitive basis. The project will also provide some support for provincial institutions in support of basic social services, and a TA loan to support policy-based lending for capacity building, participation, advocacy and reforms. An institutional development technical assistance (IDTA) grant and other programs such SACs/RMPs will support the SDP.

d. Expected results and deliverables: Improved use, quality, and efficiency of social services resulting in universal primary enrollment, reduced dropout, improved gender balance, reduced maternal and child mortality, reduced fertility, access to safe drinking water, and improved sanitation. Broadening the social platform, community participation, capacity building and reforms will enhance the sustainability of social services. The financial and technical support will also strengthen devolution during the early phase of decentralization.

e. Social issues or concerns: No environmental issues concerns have been identified, except for the management of hazardous wastes of hospitals and clinics. Social challenges include reaching the most vulnerable, including poor rural women, and strengthening community participation and involvement of nongovernment organizations (NGOs).

f. Plans for disseminating results/deliverables: Each SDP will support multimedia campaigns and an ombudsperson to raise public awareness and ensure transparency and accountability. Workshops and seminars for NGOs, government officials, and the public will be used for planning and coalition building.

7. Proposed executing/implementing agencies: Provincial departments of planning and development, finance, education, health, local government, and public health engineering.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: In each province, a steering committee and a project coordination office will be established early in the project preparatory phase to coordinate project planning with all concerned parties, including NGOs, the private sector, and communities. Stakeholder mapping, interdistrict workshops, and feedback and planning sessions will be included to ensure transparency, consensus building, and participation of stakeholders.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: CSP 2002
- b. Expected date of submission for approval
 - Lending: Balochistan (2005), and NWFP (2006)
 - Nonlending (project preparatory): NWFP (2005) and Sindh (2006)
 - Nonlending (other than project preparatory): DSS Capacity Building-Balochistan (2005)
DSS NWFP (2006)
Coordination of DSSPs II (2006)

c. Period and duration of assistance

Lending: 1-2 years for each program loan and 5 years for each project loan
 Nonlending: PPTAs (12 months) and IDTAs (30 months)

10. Financing Plan

a. For lending

- Ordinary capital resources:
- Asian Development Fund: \$60 million (Balochistan), \$70 million (NWFP)
- Cofinancing: \$ 50 million for Punjab

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

b. For nonlending

- No resources required, other than ADB staff
- ADB's administrative budget:
- Grant TA funds:
 - PPTA: \$400,000 (DSSP-Balochistan), IDTA: \$300,000 (DSSP-Balochistan), PPTA: \$350,000 (DSSP-NWFP); PPTA \$500,000 (DSSP-Sindh; IDTA \$150,000 (DSSP-NWFP); IDTA: \$150,000 (Coordination of DSSPs II)
- Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

ADB = Asian Development Bank, CSP = country strategy and program, DSSP = Devolved Social Services Program, IDTA = institutional development technical assistance, MDGs = millennium development goals, NGO = nongovernment organization, NWFP = North West Frontier Province, PFC = provincial finance commission, PPTA = program preparatory technical assistance, PRSP = poverty reduction strategy paper, RCSP = regional cooperation strategy and program, SAC/RMP = structural adjustment credit / resource management program, SDP = sector development program, TA = technical assistance.

**Table A2.10: Sindh Basic Urban Services
Concept Paper**

Date: 30 July 2004

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p> <input checked="" type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input checked="" type="checkbox"/> Project preparatory</p> <p> <input type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Urban Development Subsector: Water Supply, Sewerage and Solid Waste</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Core poverty intervention</p> <p> <input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input checked="" type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input type="checkbox"/> Sustainable economic growth	<input checked="" type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Gender and development	
<input type="checkbox"/> Sustainable economic growth	<input checked="" type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input checked="" type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Social Sectors Division, South Asia Department</p>								
<p>5. Responsible ADB officer: Shakeel Khan</p>								
<p>6. Description of assistances</p> <p>a. Background/linkage to country/regional strategy: Sindh is Pakistan's second largest province, with a population of approximately 30 million, or around 22% of the country's total population of 135 million. It has an annual population growth rate in urban areas of about 4%. The urban population accounts for around 49% of the total population. The high urban growth in the country has resulted in uncontrolled and unplanned development of cities and towns, deteriorating urban environments, and deficiencies in all forms of urban services. Many slum areas have emerged in the urban centers.</p> <p>Services in the province's urban centers are poor, with coverage and service levels varying greatly between towns. While most of the towns have water supply systems, less than 40% of households are connected to the systems, with limited service provision, poor water quality, and system losses in excess of 45%. Service levels in the sanitation sector are low. While many of the urban centers have piped sewerage systems, these systems are old, maintenance is extremely poor, coverage is limited, and sewage is untreated. A large percentage of households have individual sewage disposal systems—consisting mainly of pit latrines, and to a lesser extent, septic tanks—with overflows being discharged into open canals and drainage networks, and infiltrating into the</p>								

surrounding groundwater aquifers. Drainage systems in the towns depend on open canals serving as both drainage and sewage collection points. Secondary and tertiary drainage systems are virtually nonexistent. While limited solid waste collection systems exist in most urban centers, most waste is disposed of in open fields and in unsanitary dump sites. While urban road networks are reasonably extensive, their condition is extremely poor and maintenance is inadequate. The existing standards and provision of urban infrastructure are generally insufficient to support sustained human development and economic growth in urban centers.

Local governments' weak institutional capacity and the public's low willingness to pay for services have limited local governments' resource mobilization. To address the present institutional shortcomings, particularly in the delivery of basic services and facilities to the general public, the government has embarked on a program of devolving power and responsibility based on a bottom-up methodology that is people-centered and customer service-oriented. The devolution program, contained in the Local Government Plan 2000 and approved on 14 August 2000, will have significant impacts on the present system of local government, both administratively and financially. The local government design is based on five fundamentals: devolution of political power, decentralization of administrative authority, decentralization of management functions, diffusion of the power-authority nexus, and distribution of resources to the district level. More transparent, predictable, and equitable transfers will be established to determine fiscal transfers and grants from the province to the district governments. At the same time, district and local governments will be encouraged to generate financial resources from their own constituencies.

ADB's country strategy and program update (2004-2006) for Pakistan continues to support human resources development and social infrastructure requirements, as well as programs to respond to the policy environment, including increased priority for macroeconomic management and support for economic stabilization and restructuring. With ADB's emphasis on poverty reduction and the challenge to deliver basic services to the people, especially the poorer and more disadvantaged members of society, resources must be effectively used, especially to reduce poverty, in an environment of effective economic management. The main focus of ADB assistance to the urban sector will be on environmental aspects and the needs of the poor, and will broadly cover (i) institutional restructuring and devolution of service delivery; (ii) private sector involvement in the delivery of selected services; (iii) budgeting, finance, and increased cost recovery and municipal revenue; and (iv) increased community participation.

With the high population growth rates in urban centers caused by rural to urban migration, urban centers in Sindh are experiencing serious environmental stress. Existing services are generally inadequate for the growing populations. Environmental infrastructure improvements in selected urban towns—with an emphasis on the provision of basic urban services in low-income and economically deprived communities—will help mitigate environmental degradation; help improve the health profile of the residents living in them, especially the poor; and provide a basis for sustainable economic growth.

b. Goal and purpose: The goal of the project is to facilitate sustainable urban development in selected low-income communities in urban centers in Sindh, and to develop a city/town level, sustainable, and participatory approach to the severe environmental problems facing poor urban communities.

c. Components and outputs: The project will support the government's provision of environmental infrastructure improvements to low-income communities within selected urban centers in Sindh; and its policies for poverty reduction; devolution of authority, and strengthening of local governments. Specific project components will be designed to address the issues described in section 6(a) above.

d. Expected results and deliverables: To be determined during project preparatory technical assistance (PPTA) implementation.

e. Social or environmental issues or concerns:

Social: The PPTA will carry out carefully targeted socioeconomic surveys. It will collect, analyze, and review relevant social sector information and establish baseline socioeconomic data for formulating the project and measuring results. The survey will include socioeconomic conditions in the districts and low-income communities, such as urban service coverage, the need and demand for the services, assessment of household incomes and willingness to pay for services, and access to essential services such as water supply and sanitation for low-income groups. The consultants will undertake participatory analysis and planning with households and women's groups within low-income communities and surrounding areas. The analysis will produce knowledge on poverty impact and poverty reduction priorities as felt by the vulnerable themselves. The PPTA will also undertake specific and detailed poverty profiles for the identified low-income communities, clearly defining the levels of poverty existing within each of the low-income communities; make a comparison with the national poverty profile; and undertake a gender analysis with particular reference to women's participation in the labor force. The project will critically review the resettlement issues and, if needed, will prepare an adequate resettlement action plan.

Environment: The PPTA will prepare a comprehensive initial environmental examination (IEE) report for the project in accordance with the Asian Development Bank's (ADB's) Environmental Guidelines for Selected Infrastructure Projects, Environmental Assessment Requirements, and Environmental Review Procedures. Subsequent to IEE preparation, appropriate conclusions will be drawn as to the need for an environmental impact assessment (EIA). If an EIA is not required, a summary IEE will be prepared with clear recommendations for environmental mitigation measures, associated costs, and monitoring systems. If an EIA is required, detailed terms of reference for the EIA will be prepared. The IEEs will be prepared in close consultation with provincial and district environmental protection agencies, with clearance of final reports by the concerned agencies.

f. Plans for disseminating results/deliverables: To be determined during PPTA implementation.

7. Proposed executing/implementing agencies: The Local Government and Rural Development Department, Government of Sindh

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Beneficiaries, local nongovernment organizations (NGOs), elected councilors, community development staff of the district/sub-district government, and the project management unit (PMU) would be involved in project preparation. Beneficiaries would also participate in planning and implementing the project.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: CSPU 2003
- b. Expected date of submission for approval
 - Lending: 2005
 - Nonlending (project preparatory): April 2004
 - Nonlending (other than project preparatory): Not applicable
- c. Period and duration of assistance
 - Lending: To be determined
 - Nonlending: July 2004-December 2004 (6 months)

10. Financing Plan

- a. For lending
 - Ordinary capital resources:
 - Asian Development Fund: \$50 million
 - Other: \$

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g. total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

- b. For nonlending
 - No resources required, other than ADB staff
 - ADB's administrative budget:
 - Grant TA funds: \$400,000 (TASF)
 - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements: ADB financing: \$260,000 in foreign exchange and \$140,000 equivalent in local currency costs and Government financing (mostly in kind): \$100,000 equivalent in local currency costs.

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

ADB = Asian Development Bank, CSP = country strategy and program, EIA = environment impact assessment, IEE = initial environmental examination, NGO = nongovernment organization, PMU = project management unit, PPTA = project preparatory technical assistance, RCSP = regional cooperation strategy and program, TA = technical assistance, TASF = Technical Assistance Special Fund.

**Table A2.11: Subregional Connectivity and Trade Facilitation I
Concept Paper**

Date: 30 July 2004

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p> <input checked="" type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p> <input type="checkbox"/> Project preparatory</p> <p> <input type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport Subsector: Roads and road transport</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Core poverty intervention</p> <p> <input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input checked="" type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input checked="" type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Transport and Communications Division, South Asia Department</p>								
<p>5. Responsible ADB officer: Hasan Masood</p>								
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: Because of its location, Pakistan is well placed to act as a hub for subregional transport and to take advantage of the region's geopolitical situation for cooperation in trade and commerce. Pakistan ports and road corridors offer the most economical route to the landlocked Afghanistan, Central Asia, and parts of Russia. Moreover, Pakistan is seen as the bridge between east and west Asia. However, physical, institutional, and other constraints currently prevent Pakistan from taking full advantage of its location and the potential for increased trade through improved trade facilitation, rehabilitated transport links, efficient cross-border movements, and increased efficiency at ports. The Asian Development Bank (ADB) could play a catalytic role and support such transport initiatives, thereby enhancing subregional cooperation.</p> <p>b. Goal and purpose: The objectives of the project are to (i) support subregional cooperation by removing or relaxing physical, institutional, and other barriers to improved transportation and increased trade; (ii) support preparation and adoption of cross-border agreements for road transport including movement of containers; and (iii) improve road sector efficiency on the main transport corridors in Pakistan.</p>								

c. Components and outputs: The project will include (i) rehabilitating key national highways that are part of the subregional corridor (selected from the existing Public Sector Development Program for 2004-2005 and any changes approved subsequently), (ii) cross-border infrastructure development, (iii) freight transport facilitation, and (iv) institutional strengthening of the National Highway Authority (NHA) and other relevant agencies. The project will support implementation of ADB's subregional cooperation initiative and relevant policy framework agreed between the subregional governments and ADB.

d. Expected results and deliverables: (i) Increased subregional cooperation, (ii) improved cross-border arrangements at border stations in Pakistan, (iii) enhanced transport facilitation, and (iv) improved road sector efficiency and quality of road transport on the main corridors to neighboring countries.

e. Social or environmental issues or concerns: Social and environmental issues will be strictly monitored and addressed during project design and implementation. To address pertinent issues and mitigate any potential adverse impacts, several plans will be prepared: (i) a resettlement framework and plan, (ii) an indigenous people's plan, (iii) an environmental impact assessment or initial environmental examination, and (iv) environmental mitigation plan. Consultation with stakeholders, including civil society, NGOs, road users, and the poor, will be important for optimal project design and to address all key issues.

f. Plans for disseminating results/deliverables: The project will share results and lessons learned with stakeholders, development partners, and beneficiaries through appropriate media, including government and ADB web sites.

7. Proposed executing/implementing agencies: (i) National Highway Authority, (ii) Ministry of Communication, (iii) Ministry of Commerce, and (ii) other relevant agencies.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Consultation with government agencies, stakeholders including road users, and the poor living along the roads, will be held during project formulation and loan processing. Consultation meetings will involve all stakeholders, relevant government agencies, transporters, and the roadside poor, and used as input to formulate and agree on the scope of the project.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: CSPU 2002
- b. Expected date of submission for approval
 - Lending: 2005
 - Nonlending (project preparatory): Not applicable
 - Nonlending (other than project preparatory): Not applicable
- c. Period and duration of assistance
 - Lending: 5.5 years
 - Nonlending: Not applicable

10. Financing Plan

- a. For lending
 - Ordinary capital resources: \$273 million
 - Asian Development Fund: \$17 million (From subregional cooperation)
 - Other: \$

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g. total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

b. For nonlending

- No resources required, other than ADB staff
 ADB's administrative budget: \$
 Grant TA funds:
 Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements:

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

ADB = Asian Development Bank, CSP = country strategy and program, NHA = National Highway Authority, RCSP = regional cooperation strategy and program, TA = technical assistance

**Table A2.12: Infrastructure Sector Technical Assistance Loan for Sector Analysis, Capacity Building, and Project Preparation
Concept Paper**

Date: 30 July 2004

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input checked="" type="checkbox"/> Other: Technical Assistance loan</p> <p><input type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>										
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Energy, Transport, and Water Resources Subsector: Irrigation, Power, Natural Gas, Road, Railways, Ports</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input checked="" type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input checked="" type="checkbox"/> Environmental protection</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input checked="" type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input checked="" type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development									
<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p>4. Responsible division/department: Energy Division/South Asia Department</p>										
<p>5. Responsible ADB officer: Rune Stroem</p>										
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: To achieve increased economic growth, the Government of Pakistan has accorded high priority to investment in infrastructure development that will serve as a main engine of sustained growth and poverty reduction in the country. At the same time, the institutional capacity constraints also need to be addressed to ensure timely project processing and implementation. ADB assistance supports the Government's strategic thrust and includes infrastructure sector development programs during 2005-2008. To this end, resources and expertise are required in planning, prioritizing and doing other preparatory works necessary for ensuring that development will have optimum benefits in economic growth and poverty reduction. In addition, the proposed investment needs to be technically feasible, financially and economically viable, and environmentally and socially responsible. Very often these requirements are not timely met to enable financing by external agencies. Moreover, readiness of detailed design of infrastructure projects during processing stage is very important in order to have more accurate cost estimates, proper land acquisition and resettlement, and documentation for advance procurement actions. This requires expertise, experience and familiarity with ADB guidelines and procedures, and resources in project management to prevent implementation delays that result in reduced development impact.</p>										

The Government has recently assessed that public funds will be able to meet only one third of the total infrastructure investment needs. The remaining resource gap will have to be funded by the private sector and international financial agencies. Consequently, there is a need for developing a strategy to determine the role of the private sector in the financing, construction, operating and maintaining of infrastructure through the formation of Public-Private Partnerships (PPPs) and for the creation of policy, regulatory and institutional frameworks to support such PPPs.

In view of the Government's request for expanding ADB's involvement in infrastructure sectors, there is a need to undertake preliminary studies in these sectors in order to assess the needs and to identify possible areas of ADB's future assistance.

b. Goal and purpose: The primary objectives of the TA loan is to provide resources to the Government to (i) facilitate preparation of infrastructure sector projects that promote economic growth and poverty reduction, and are technically feasible, financially and economically viable, and economically and socially responsible, (ii) assist in developing PPP frameworks and models (iii) supplement other capacity building initiatives particularly in project design and procurement, and (iv) undertake preliminary studies in other infrastructure modes.

c. Components and outputs: The TA loan will have three major components; one for each of the major infrastructure sectors, namely (i) energy, (ii) transport and communication, and (iii) water resources. Under each of the project components The TA loan will enable preparation of (i) project feasibility studies, (ii) project detailed designs, (iii) project bidding documents, (iv) capacity building and development of PPP frameworks and models for the financing, construction, operating and maintaining of infrastructure facilities, and (iv) preliminary studies for other alternative infrastructure modes, as appropriate. The TA loan will also provide capacity building of the executing agencies in project design and procurement.

d. Expected results and deliverables: Preparatory works for infrastructure projects will be completed in a timely and cost effective manner, including ensuring quality of the project documentation. Deliverable include reports for strategies and investment plan, feasibility studies, environmental impact assessments, resettlement plans, social assessments, poverty assessments, preliminary designs, detailed designs, PPP frameworks and models, and bidding documents. The TA loan will also include training and transfer of knowledge in project design, consultant engagement and procurement of civil works in accordance with external agencies guidelines and procedures and capacity building with regards to the establishment of sustainable PPPs.

e. Social or environmental issues or concerns: The project should have no significant social impacts since it primarily addresses institutional reforms, capacity development, and project preparation. Social or environmental aspects related to project preparation will be properly addressed.

f. Plans for disseminating results/deliverables: The project will share results and lessons learned with stakeholders, development partners, and beneficiaries through appropriate media including Government and ADB websites. Dissemination of results would also come through promulgation and implementation of new policies at the federal and provincial levels.

7. Proposed executing/implementing agencies: (i) National Highway Authority, (ii) Ministry of Communications, (iii) Ministry of Railways, (iv) Planning and Development Division, (v) Provincial Planning and Development Departments, (vi) Ministry of Water and Power and the Planning Commission along with Provincial Irrigation and Power Departments and Provincial Planning and Development Departments, (v) Ministry of Petroleum and Natural Resources, and (vi) other agencies as appropriate.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: The full involvement of the executing agencies are expected. Active involvement of civil society and stakeholders will be sought.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: CSPU 2004
- b. Expected date of submission for approval
 - Lending: 2005
 - Nonlending (project preparatory): Not applicable
 - Nonlending (other than project preparatory): Not applicable

- c. Period and duration of assistance
 Lending: 36 months (2005-2008)
 Nonlending: Not applicable

10. Financing Plan

- a. For lending
 Ordinary capital resources: \$
 Asian Development Fund: \$25 million
 Other:

If cofinancing is required indicate sources, and amount sought:
 If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	

Source:

- b. For nonlending
 No resources required, other than ADB staff
 ADB's administrative budget: \$
 Grant TA funds:
 Other:

If cofinancing is required indicate sources, and amount sought:
 If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	

Source:

ADB = Asian Development Bank, CSP = country strategy and program, PPP =public-private partnership, RCSP = regional cooperation strategy and update, TA = technical assistance, TASF = Technical Assistance Special Fund.

**Table A2.13: Public-Private Partnership Initiative for National Highway Development
Concept Paper**

Date: 30 July 2004

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p> <input checked="" type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input checked="" type="checkbox"/> Project preparatory</p> <p> <input type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p>
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport Subsector: Roads</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Core poverty intervention</p> <p> <input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <p> <input checked="" type="checkbox"/> Sustainable Economic growth</p> <p> <input type="checkbox"/> Inclusive social development</p> <p> <input type="checkbox"/> Governance</p> <p> <input type="checkbox"/> Gender and Development</p> <p> <input type="checkbox"/> Environmental sustainability</p> <p> <input type="checkbox"/> Regional Cooperation</p> <p> <input checked="" type="checkbox"/> Private sector development</p>
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>
<p>4. Responsible division/department: Transport and Communications Division, South Asia Department</p>
<p>5. Responsible ADB officer: Lise Weidner</p>
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: To achieve increased economic growth, the government of Pakistan has accorded high priority to investment in infrastructure development that will serve as a main engine of sustained growth and poverty reduction. ADB's assistance supports the government's strategic thrust and includes a major road development program during 2005-2007. The government has recently estimated that public funds will be able to meet only one third of total infrastructure investment needs. The remaining amount will have to be funded by the private sector and international financial agencies. There is therefore a need to develop a strategy to determine the role of the private sector in the financing, construction, operation, and maintenance of infrastructure through the formation of public-private partnerships (PPPs) and to create policy, regulatory, and institutional frameworks to support such PPPs. ADB will be providing assistance to the government of Pakistan (i) in developing appropriate PPP frameworks and models (sector development component); and (ii) in providing assistance with preparing a model PPP for a specific national highway development project supported by an ADB investment. The sector development component will be covered</p>

partly under the TA Loan for Transport Sector Projects Preparation (2005) and partly through a small scale technical assistance for Facilitating PPP initiative in National Highway Development (2005). The investment component will be covered under this proposed loan.

b. Goal and purpose: The primary objectives of the loan are to provide assistance to the government to enable it to meet the anticipated public sector financing requirements under a PPP model for a specific national highway development project.

c. Components and outputs: The loan will enable preparation of (i) project feasibility studies; (ii) project detailed design; (iii) project bidding documents; and (iv) determination of most appropriate public-sector contribution to the selected national highway development project and the provision of funds from ADB to enable the government to meet these financing requirements.

d. Expected results and deliverables: (i) A strategy and investment plan, in particular regarding options for how ADB can help finance the creation of a sustainable PPP National Highway Development project, (ii) exploration of cofinancing options, (iii) feasibility study, (iv) environmental impact assessment, (v) resettlement plan, (vi) social assessment, (vii) poverty assessment, (viii) preliminary design, (ix) detailed design, and (x) bidding documents. Capacity building with regards to the implementation of a PPP model project is an integral part of the expected results.

e. Social or environmental issues or concerns: Social or environmental aspects will be properly addressed.

f. Plans for disseminating results/deliverables: The project will share results and lessons learned with stakeholders, including foreign and domestic private sector representatives, development partners, and beneficiaries, through appropriate media including government and ADB web sites.

7. Proposed executing/implementing agencies: Ministry of Communications, the National Highway Authority, and others as appropriate.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: The full involvement of the executing agency is expected. Active involvement of civil society and stakeholders will be sought.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: CSPU 2004
- b. Expected date of submission for approval
 - Lending: 2005 (standby)/2006 firm
 - Nonlending (project preparatory): Not applicable
 - Nonlending (other than project preparatory):
- c. Period and duration of assistance
 - Lending: 36 months
 - Nonlending:

10. Financing Plan

- a. For lending
 - Ordinary capital resources: \$50 million
 - Asian Development Fund:
 - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g. total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

b. For nonlending

- No resources required, other than ADB staff
 ADB's administrative budget: \$
 Grant TA funds: \$150,000
 Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

ADB = Asian Development Bank, CSP = country strategy and program, PPP = public-private partnership, TA = technical assistance, TASF = Technical Assistance Special Fund.

CONCEPT PAPERS FOR 2005 NONLENDING PRODUCTS

This appendix contains the concept papers for the following nonlending products.

- (i) Table A3.1: Punjab Irrigated Agriculture Development Sector Project
- (ii) Table A3.2: Preparation of National Agriculture Sector Strategy
- (iii) Table A3.3: Power Transmission Enhancement
- (iv) Table A3.4: Punjab Local Justice Support Program
- (v) Table A3.5: Private Sector Infrastructure Financing
- (vi) Table A3.6: Punjab Resource Management Program-Subprogram 3
- (vii) Table A3.7: FATA Governance
- (viii) Table A3.8: Housing Finance
- (ix) Table A3.9: Decentralization Support Program
- (x) Table A3.10: Strengthening NGO Engagement in ADB Policy and Operations
- (xi) Table A3.11: Results-Based Monitoring of Projects
- (xii) Table A3.12: Strengthening Domestic Consulting Services
- (xiii) Table A3.13: Mega-city Project I
- (xiv) Table A3.14: Social Health Insurance
- (xv) Table A3.15: District Roads Resource Management

**Table A3.1: Punjab Irrigated Agriculture Development Sector Project
Concept Paper**

Date: 30 July 2004

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input checked="" type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input checked="" type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Water Resources and Agriculture Subsector: Irrigation</p> <p>b. For project preparatory and lending, classification</p> <p><input checked="" type="checkbox"/> Core poverty intervention <input type="checkbox"/> Other</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <p><input checked="" type="checkbox"/> Sustainable economic growth <input type="checkbox"/> Environmental sustainability</p> <p><input checked="" type="checkbox"/> Inclusive social development <input type="checkbox"/> Regional cooperation</p> <p><input checked="" type="checkbox"/> Governance <input type="checkbox"/> Private sector development</p> <p><input type="checkbox"/> Gender and development</p>
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>
<p>4. Responsible division/department: Agriculture, Environment, and Natural Resources Division/ South Asia Department</p>
<p>5. Responsible ADB officer: Thomas Panella</p>
<p>6. Description of assistances</p> <p>a. Background/linkage to country/regional strategy: Most of Pakistan's irrigation infrastructure is very old, much developed during the British era, and in need of rehabilitation and modernization. Substantial domestic and donor investment will be required if the productivity of irrigated agriculture is to improve. The Asian Development Bank (ADB) has a long history of involvement in the water sector in Pakistan, ADB has not been involved with new lending for irrigation in Pakistan for several years. However, ADB supported development of a national water sector strategy (WSS) that was executed under the Ministry of Water and Power and completed in 2003. The WSS provided an outline for reforms in the irrigation sector as well as overall reforms for water resources development and management. The WSS included a medium-term investment plan to prioritize the existing infrastructure investment portfolio. Support for the WSS provided an opportunity for ADB to reengage the water sector and an institutional development technical assistance (IDTA) in 2004 provides the first step for ADB lending, starting with this loan in 2006 and its preparation in 2005.</p>

One reason for the recent hiatus from investing in irrigation has been some dissatisfaction on the part of ADB with project implementation and the pace of reforms in Pakistan. Problems existed with ADB project execution by the Water and Power Development Authority (WAPDA) within the Ministry of Water and Power at the federal level with the recent inspection panel for the Chasma Right Bank Canal as the most serious example of implementation problems. ADB was involved with National Drainage Program (NDP) that was also funded by the Japan Bank for International Cooperation (JBIC) and World Bank and provided over \$700 million for irrigation rehabilitation and drainage improvements with reforms that were supposed to transform provincial irrigation. Initially, the reforms proved to be a disappointment with poor implementation and little or progress. In the last few years, however, some reforms required under NDP have been implemented, most notably in Sindh and to a lesser extent in Punjab and North-West Frontier Province. This includes the development of provincial irrigation development authorities at the provincial level, area water boards (AWBs) at the canal level, and farmer organizations (FOs) at the minor and distributary canal level. The new institutional arrangements are intended to transform the provincial irrigation and power departments and decentralize responsibility for irrigation management to water users.

Pakistan currently has several national programs for system rehabilitation that address various different aspects of irrigation systems. They also provide support for on-farm water management activities such as watercourse development implemented through Provincial Departments of Agriculture. However, these activities are not coordinated to ensure that improved flows in the main and branch canals are delivered more effectively at the field level. Irrigation system rehabilitation under all programs is usually undertaken with the objective to restore the system to its original operating condition without new design, structures, or significantly improved water control capacity required for more demand-responsive supply. In no instance has an irrigation system improvement been combined with enhanced agricultural support services to ensure that benefits from improved water supply maximize productivity. This approach to irrigated agriculture rehabilitation yields questionable results with regard to increased productivity of existing crops or facilitating development of diversified higher-value crops. For many of the proposed national and provincial irrigation rehabilitation programs, detailed project documents (PC-1s) approved by the Government already exist that may provide a basis for project preparation. The project will review existing PC 1s to see if they can be integrated or amended and provide a basis for the project development.

Groundwater in many areas plays a critical role in irrigated agriculture. It often supplements surface irrigation in areas with poor water supply or provides an additional cropping season when surface water is unavailable. During the recent drought, groundwater sustained productivity in many areas of Punjab even when no surface water was available. Groundwater tables have been dropping in many areas, however, and groundwater management is essentially nonexistent. Groundwater recharge is heavily dependant upon canal flows, and groundwater availability and quality for irrigation varies throughout Pakistan. This implies a conjunctive use and an approach tailored to local conditions is required for ground and surface water management. Drainage is also an important element for effective irrigation. Pakistan has several drainage programs and is currently finalizing a national drainage master plan. As with the various irrigation rehabilitation programs, however, groundwater management and drainage activities are not integrated on a comprehensive basis with other irrigation and water management activities.

The proposed ADB loan will have a provincial, geographically targeted approach that focuses on a single main canal command area. The loan will solely address rehabilitation with the Punjab Provincial Irrigation and Power Department as the primary executing agency. The approach is to avoid some of the previous problems ADB has had with implementing projects using national level agencies for development of new irrigation systems or water resource management interventions. The approach is consistent with the 2004 country strategy and program update (CSPU).

b. Goal and purpose: The goal of the loan is to increase the productivity of irrigated agriculture in Pakistan and to stem rural poverty. The loan will provide support for irrigation system rehabilitation and modernization; integrate on farm water management and agricultural activities with canal rehabilitation; build upon and deepen the irrigation and water resources management institutional reforms that were started under NDP; promote integrated water resources management for surface water, groundwater, and drainage; and provide capacity development for concerned stakeholders.

c. Components and outputs: The loan will have five main components (i) irrigation system rehabilitation and modernization that would include the barrage, if necessary, and the main, branch, distributary, and minor canals; (ii) on farm water management activities such as water course improvements and laser leveling; (iii) integrated water resources management and conjunctive use activities for surface water, groundwater, and drainage; (iv) development of agricultural support activities to optimize productivity under the program; and (v) capacity

development activities to support training for Provincial Irrigation and Power Departments, Provincial Irrigation and Drainage Authorities (PIDAs), AWBs, FOs, and agricultural support service providers. The components should result in a new integrated process for comprehensive irrigation system rehabilitation and modernization that helps ensure maximum productivity. The outputs would include civil works for canal rehabilitation, development of capacity development programs, and requisite resources (vehicles, offices, etc.) to support the new institutional arrangements consistent with the design under NDP. New agricultural support services will also be included. Monitoring systems would be developed for all aspects of the program.

d. Expected results and deliverables: The canal rehabilitation, on-farm water management activities, agricultural activities, and institutional reforms will work together to transform irrigation from being supply-driven to demand responsive, supporting higher-value agriculture. The institutional reforms should provide for greater management accountability for system operation. Empowerment of the FOs and AWBs that are responsible for operation and maintenance (O&M) and tariff collection should provide a more sustainable approach for system maintenance that has been significantly lacking and under-resourced by the current provincial irrigation and power departments. The project should result in improved agricultural productivity, enhanced farmer incomes, and reduced rural poverty. It should not only provide benefits to farmers, but also to landless laborers involved in agricultural production.

e. Social or environmental issues or concerns: The project will provide both irrigation system rehabilitation and institutional reform with greater control over system O&M to the water users. Although no new canal networks or storage will be created under the project, the civil works may require some canal rerouting or the installation of field channels. Although the impacts should be minor, in some cases this may invoke ADB's resettlement policy, so a resettlement framework will be required. Greater social inclusion should be achieved by giving more power to the water users to manage the system. However, in many of the rural areas in Pakistan, extreme feudal conditions exist, so care will be needed in the institutional design of the FOs and AWBs to ensure that the situation is not exploited by local elites. The project addresses rehabilitation and improved management of surface water, groundwater, and drainage, environmental conditions should improve.

f. Plans for disseminating results/deliverables: It is anticipated that successful aspects of the program will be replicated in subsequent loans in Pakistan.

7. Proposed executing/implementing agencies: Punjab Irrigation and Power Department and the Provincial Planning and Development Department.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Since an important aspect of the project will be developing alternative institutional arrangement for irrigation management—specifically formation of the FOs and AWBs—significant government and beneficiary involvement will take place. In addition to the project preparatory technical assistance (PPTA), which will have a strong consultative emphasis, development of the project will also be based on the IDTA that will review lessons learned from existing experiences under the reforms for NDP. The IDTA will include many interviews with farmers and other stakeholders, as well as a national-level workshop to which all stakeholders will be invited.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: 2004

b. Expected date of submission for approval
 Lending: 2006
 Nonlending (project preparatory): 2005
 Nonlending (other than project preparatory): 2004

c. Period and duration of assistance
 Lending: 2006-2011
 Nonlending: 2004-2005

10. Financing Plan

- a. For lending
- Ordinary capital resources: \$170 million
 - Asian Development Fund:
 - Other:

If cofinancing is required indicate sources, and amount sought:
 If known, provide cost estimates and financing arrangements. (e.g. total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

- b. For nonlending
- No resources required, other than ADB staff
 - ADB's administrative budget:
 - Grant TA funds: \$450,000 (TASF)
 - Other:

If cofinancing is required indicate sources, and amount sought:
 If known, provide cost estimates and financing arrangements. (e.g. total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

ADB = Asian Development Bank, AWB = area water board, CSP = country strategy and program, CSPU = country strategy and program update, IDTA = institutional development technical assistance, FO = farmer organization, JBIC = Japan Bank for International Cooperation, NDP = National Drainage Program, PIDA = provincial irrigation and drainage authority, RCSP = regional cooperation strategy and program, TA = technical assistance, TASF = technical assistance special fund, WAPDA = Water and Power Development Authority.

**Table A3.2: Preparation of National Agriculture Sector Strategy
Concept Paper**

Date: 30 July 2004

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other: TA loan</p> <p><input type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input checked="" type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Agriculture and natural resources Subsector: Agriculture sector development</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention <input type="checkbox"/> Other</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <p><input checked="" type="checkbox"/> Sustainable economic growth <input type="checkbox"/> Environmental sustainability</p> <p><input type="checkbox"/> Inclusive social development <input type="checkbox"/> Regional cooperation</p> <p><input type="checkbox"/> Governance <input type="checkbox"/> Private sector development</p> <p><input type="checkbox"/> Gender and development</p>
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>
<p>4. Responsible division/department: Agriculture, Environment, and Natural Resources Division, South Asia Department</p>
<p>5. Responsible ADB officer: Brian Fawcett</p>
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: The rural sector underpins the economic and social structure of Pakistan's economy. Approximately 77% of the population, and the vast majority of the nation's poor, resides in rural areas. Most derive their living from agriculture and off-farm employment. Agriculture remains the single largest sector of the economy—about 26% of real gross domestic product (GDP)—and provides the most income generation and approximately 50% of employment. Growth in the sector has been stagnating over the past few years, although it is likely to remain the primary contributor for some time. An uncertain policy environment (especially concerning the prices and marketing of major crops) combined with widespread resource degradation has contributed to low productivity and profitability. Other contributors to the sector's performance include low quality inputs, poor-quality support services, inefficient water resource management, inadequate rural infrastructure, and a deteriorating natural resource base.</p> <p>Secondary occupations have become more common in recent years as agriculture can no longer meet the income needs of the growing rural population. Landowners seek additional income by investing in business ventures outside</p>

the community. Other occupational groups are less able to invest in this manner other than to seek paid employment outside the community or move to urban areas. Lessee tenants obtain paid employment or invest in small businesses outside the village. Artisans have diversified into related occupations where possible, but many families are dependent on income from family members working outside the village. Sharecroppers and landless laborers have few options, particularly if they are bonded.

Achieving high and sustained broad-based economic growth, reducing poverty, creating job opportunities, providing essential social and economic services and infrastructure to the poor, and improving governance in rural areas are fundamental development challenges for Pakistan.

The 2004 country programming mission identified the technical assistance (TA) as a government priority that is consistent with the Poverty Reduction Strategy Paper.

b. Goal and purpose: The TA will assist the government in reviewing developments in agriculture and developing an agriculture development strategy with clear priorities for public investments in agriculture development. The purpose of the TA is to prepare a short- to medium-term agricultural strategy that the government will use to plan its investments to support agricultural development.

c. Components and outputs: The TA will (i) review past developments in the agriculture sector, make recommendations for future development, and assist the Ministry of Food, Agriculture, and Livestock (MINFAL) to prepare an agriculture strategy; and (ii) assess MINFAL's capacity to implement the strategy, and recommend changes in role in the sector over the medium term (5-10 years), including recommendations for appropriate measures to target subsistence farmers, poor communities, women, and commercial producers in agriculture development.

d. Expected results and deliverables: An agriculture development strategy that identifies priority areas for investment will be prepared. Based on the strategy, agricultural development and growth rates will improve, with coincident increases in rural incomes and employment, and reduction in rural poverty. Greater attention will be paid to issues such as resource conservation and management, as well as stimulation of private-sector involvement in agriculture and agribusiness. MINFAL's capacity to plan, facilitate, and promote development in the sector will be strengthened, with particular emphasis on public-private partnerships and increased private sector investment in agriculture.

e. Social or environmental issues or concerns: No adverse social or environmental impacts are expected.

f. Plans for disseminating results/deliverables: Workshops, seminars, focus group discussions, and use of various media to publicize TA activities will be used to disseminate information and obtain stakeholder inputs.

7. Proposed executing/implementing agencies: Ministry of Food, Agriculture, and Livestock

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: The government has identified improved growth in the agriculture sector as a top priority. Relevant ministries, government agencies and institutions, nongovernment organizations, and private-sector groups including farmer organizations, processors, and other stakeholders will be consulted during TA implementation to obtain their views on current conditions, recent developments, constraints, opportunities, policy issues, and required reforms to modernize the agriculture sector.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: 2004
- b. Expected date of submission for approval
 - Lending:
 - Nonlending (project preparatory):
 - Nonlending (other than project preparatory): 2005
- c. Period and duration of assistance
 - Lending:
 - Nonlending: To be determined

10. Financing Plan

a. For lending

- Ordinary capital resources:
 Asian Development Fund: \$5 million
 Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g. total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

b. For nonlending

- No resources required, other than ADB staff
 ADB's administrative budget:
 Grant TA funds: \$250,000 (TASF)
 Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g. total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

ADB = Asian Development Bank, CSP = country strategy and program, GDP = gross domestic product, MINFAL = Ministry of Food, Agriculture, and Livestock, RCSP = regional cooperation strategy and program, TA = technical assistance, TASF = technical assistance special fund.

Table A3.3: Power Transmission Enhancement Concept Paper

Date: 30 July 2004

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p style="margin-left: 20px;"><input type="checkbox"/> Project loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Program loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Sector loan</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> Sector development program loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> Project preparatory</p> <p style="margin-left: 20px;"><input type="checkbox"/> Other than project preparatory</p> <p style="margin-left: 40px;"><input type="checkbox"/> Economic, thematic, and sector work</p> <p style="margin-left: 40px;"><input type="checkbox"/> Institutional development</p> <p style="margin-left: 40px;"><input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Energy Subsector: Transmission and distribution</p> <p>b. For project preparatory and lending, classification</p> <p style="margin-left: 20px;"><input type="checkbox"/> Core poverty intervention</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> Poverty intervention</p> <p style="margin-left: 20px;"><input type="checkbox"/> Other</p> <p>c. Key thematic areas</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;"><input checked="" type="checkbox"/> Sustainable economic growth</td> <td style="width: 50%;"><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Energy Division, South Asia Department</p>								
<p>5. Responsible ADB officer: Rune Stroem</p>								
<p>6. Description of assistances</p> <p>a. Background/linkage to country/regional strategy: The power sector is currently undergoing reforms and restructuring that the Asian Development Bank (ADB) fully supports through its continuous policy dialogue and financial assistance using program lending and technical assistance. In the transition phase of restructuring, sector sustainability needs to be ensured, and the proposed project will contribute to increased sector sustainability by ensuring liquidity for augmentation and expansion projects as well as larger maintenance work. To achieve the economic growth targets the government has set, the power sector needs to increase its generation capacity and, equally important, increase the "wire business" efficiency and coverage. The transition period from integrated power utilities to unbundled privatized entities appears risky to commercial financiers, and the proposed ADB facility intends to increase commercial financiers' comfort to finance long-term transmission and distribution assets.</p> <p>b. Goal and purpose: The goal is to ensure a reliable and high-quality power supply to an ever-increasing number of industrial, commercial, and retail consumers. This will underpin national economic growth and poverty</p>								

reduction. The purpose of the proposed project is to finance a number of transmission expansion projects to increase system efficiency and the amount of electricity delivered to customers.

c. Components and outputs: The component identified transmission line subprojects. The output will be the increased number of customers hooked up to the national grid, the reduction in technical and nontechnical losses, and the financial viability of the new power sector entities.

d. Expected results and deliverables: Increased kilometers of transmission as well as system stability and quality of delivered electricity. Increased number of electricity customers (electrification ratio).

e. Social or environmental issues or concerns: The frameworks for resettlement plans and environmental impact assessment will be imbedded in the sector loan approach and integrated in the legal documentation of the project.

f. Plans for disseminating results/deliverables: Through the annual reports of power sector entities borrowing through this facility.

7. Proposed executing/implementing agency or agencies: Ministry of Water and Power/development finance institutions

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Close consultations with National Transmission and Despatch Company (NTDC), Ministry of Water and Power, and consumer protection groups during project processing.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: CSPU August 2003
- b. Expected date of submission for approval
 Lending: 2006
 Nonlending (project preparatory): 2nd Quarter 2005
 Nonlending (other than project preparatory): Not applicable
- c. Period and duration of assistance
 Lending: 4 years (2006-2010)
 Nonlending: 9 months from June 2005

10. Financing Plan

- a. For lending
- Ordinary capital resources: \$250 million
- Asian Development Fund: \$
- Other: \$

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g. total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

- b. For nonlending
- No resources required, other than ADB staff
 - ADB's administrative budget: \$
 - Grant TA funds: \$500,000 (TASF)
 - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g. total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

ADB = Asian Development Bank, CSP = country strategy and program, NTDC = national transmission and despatch company RCSP = regional cooperation strategy and program, TA = technical assistance, TASF = technical assistance special fund.

**Table A3.4: Punjab Local Justice Support Program
Concept Paper**

Date: 30 July 2004

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p> <input checked="" type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input checked="" type="checkbox"/> Project preparatory</p> <p> <input checked="" type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input checked="" type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Governance Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p> <input checked="" type="checkbox"/> Core poverty intervention</p> <p> <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Gender and development	
<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input checked="" type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Pakistan Resident Mission, South Asia Department</p>								
<p>5. Responsible ADB officer: Douglas J. Porter</p>								
<p>6. Description of assistances</p> <p>a. Background/linkage to country/regional strategy: In the country strategy and program (CSP) for 2002-2006, ADB committed to long-term support for Pakistan's justice reform. The proposed program will continue support for aspects of the ongoing Access to Justice Program (AJP) and Decentralization Support Program (DSP).</p> <p>b. Goal and purpose: (i) to consolidate and extend the scope of systemic reforms supported under the AJP, at the federal, provincial, district, and subdistrict levels; (ii) to align and integrate the system of administration of justice at the local level to the changed realities of governance in the aftermath of devolution; and (iii) to develop and strengthen civil society organizations that support local-level institutional reforms.</p> <p>c. Components and outputs: These will include (i) creating an enabling environment for the poor to optimize their economic potential by supporting reforms related to land titling, transparent land record systems, and secured transactions leading to increased access to justice; (ii) strengthening and institutionalizing alternative dispute resolution methods to minimize the tendency to over-rely on formal justice institutions; (iii) consolidating institutional development to ensure citizens rights concerning independent prosecution services, a professional , well trained, and pro-poor legal aid system and reoriented subordinate (local) judiciary equipped with delay reduction techniques; (iv) reorienting the <i>thana</i> (police station) working by instituting gender- sensitive human-</p>								

rights-related policy and institutional reforms, leading to a service-oriented, accountable local police system; (v) supporting the justice-dispensing local institutions in the context of local government law, such as the offices of district ombudspersons, public safety commissions, elected *insaaf* (justice) and *masalihat* (mediation) committees, women councilors' resource centers, and family protection centers; and (vi) supporting civil society groups and coalitions working for human rights, accountability, and local justice.

d. Expected results and deliverables: Refinement and strengthening of policy/legal framework concerning (i) the land rights of citizens, particularly the poor. Further, supporting legal changes and regulations concerning the entitlements of the poor in the domains of land titling and administrative disputes and reaffirming core labor standards; (ii) institutional strengthening through reforms enabling provincial and local justice institutions to dispense timely, low-cost justice to the poor; (iii) engage with and strengthen civil society for increased and equitable access to state agencies such as the police, revenue administration, and service delivery departments; and (iv) facilitating workability and enhanced accountability of new institutions created under the local government law.

e. Social or environmental issues or concerns: This program will help improve legal literacy and awareness for environmental laws, particularly natural resource management systems, at the local level.

f. Plans for disseminating results/deliverables: Not applicable

7. Proposed executing/implementing agencies: Executing agency: Provincial Home Department and the Lahore High Court. Implementing agencies: Departments of Finance, Law, Planning and Development, Women's Development, and the province ombudsperson.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Consultations with the provincial government, judiciary, bar associations, and civil society organizations as well as the federal government and other agencies working for good governance in Pakistan.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: CSPU 2003
- b. Expected date of submission for approval
 - Lending: 2006
 - Nonlending (project preparatory): 2005
 - Nonlending (other than project preparatory): 2006
- c. Period and duration of assistance
 - Lending: To be determined
 - Nonlending: 12 months

10. Financing Plan

- a. For lending
 - Ordinary capital resources:
 - Asian Development Fund: \$60 million
 - Other: \$

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g. total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

b. For nonlending

- No resources required, other than ADB staff
 ADB's administrative budget: \$
 Grant TA funds: PPTA: \$300,000 (TASF); IDTA: \$500,000 (TASF)
 Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

ADB = Asian Development Bank, AJP = Access to Justice Program, CSP = country strategy and program, CSPU = country strategy and program update, DSP = Decentralization Support Program, IDTA = institutional development technical assistance, PPTA = project preparatory technical assistance, RCSP = regional cooperation strategy and program, TA = technical assistance, TASF = technical assistance special fund.

**Table A3.5: Public-Private Infrastructure Financing Facility
Concept Paper**

Date: 30 July 2004

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p> <input type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input checked="" type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input type="checkbox"/> Project preparatory</p> <p> <input type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input checked="" type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Finance Subsector: Finance, private infrastructure</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Core poverty intervention</p> <p> <input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input checked="" type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Governance, Finance and Trade Division, South Asia Department</p>								
<p>5. Responsible ADB officer: V. V. Subramanian</p>								
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: Pakistan's infrastructure is grossly inadequate compared with world standards and has been identified as a critical factor restraining economic growth. Investment was largely driven by the public sector, but often poorly funded, with weaknesses in particular in operation and maintenance (O&M). According to the national budget announced in June 2004, about \$3 billion per year of new investments in development projects and infrastructure are required for the next 5 years. According to the Ministry of Finance, the government will only be able to fund \$1.5 billion per year, or 50%, of needed infrastructure investments. The rest must come from the private sector, mainly through public-private partnerships (PPPs).</p> <p>The opportunities for developing and financing public-private partnerships in Pakistan are considerable. There is proven demand for new projects in water, wastewater, solid waste, and transportation, the economy is growing, local and international investors are interested in PPPs in Pakistan, and government commitment to decentralization and market solutions to infrastructure is strengthening. This combination of attributes, along with other country-specific and regional trends, makes PPP opportunities in Pakistan considerable and realistic.</p> <p>However, PPPs face a large number of constraints. There is a lack of effective institutions and capabilities to implement the conditions that investors and lenders require. There is a serious lack of capacity—especially</p>								

within provincial governments—to identify, structure, tender, negotiate, and regulate viable PPP projects in the key sectors. Other reasons why private sector infrastructure projects have not materialized include: (i) slower-than-expected reforms; (ii) governance structures unsuited for the broad private-sector participation envisaged in a liberalized environment; (iii) weak public-private interface; and (iv) difficulty disaggregating and allocating risks in the domestic capital market. Not all solutions can be pursued at the national level. Some may involve provincial or even municipal policy and institutional reforms. There are also legal and regulatory constraints for providing infrastructure services, enforcing contracts, and setting and adjustment of tariffs. These could undermine the confidence of investors and raise ambiguity regarding authority and jurisdiction. Lastly, a key constraint is the lack of long-term rupee funds on the capital market and a lack of financial instruments to enhance the long-term credit of PPP projects and leverage additional investment.

The project preparatory technical assistance (PPTA) 4154 implemented during 2004 has developed a system of recommendations to deal specifically with each impediment of PPP. Further assistance will be needed to implement the above recommendations for creating an enabling environment for PPP in infrastructure.

b. Goal and purpose: The project seeks to increase private-sector investment in infrastructure, thereby promoting economic growth and reducing poverty.

c. Components and outputs: The focus will be on establishing the right market structures and establishing/strengthening the policy, legal, regulatory, and institutional framework for facilitating infrastructure growth through PPP, particularly at the provincial level. This will also help build provincial-level capacity to financially structure and engineer PPP projects, enhancing the bankability of infrastructure projects in Pakistan. It will help develop regulatory models and tool kits, and implement systematic regulatory capacity building. The TA will further aim to help develop the business plan for setting up the dedicated private infrastructure financing institution proposed under PPTA 4154.

d. Expected results and deliverables: Accelerated infrastructure development through increased private sector participation, thereby promoting economic growth and reducing poverty. The TA is expected to facilitate the implementation of the Public-Private Infrastructure Financing Facility proposed in 2005.

e. Social or environmental issues or concerns: Environmental impact assessments will be undertaken for subprojects to be financed under the proposed facility.

f. Plans for disseminating results/deliverables: To be determined

7. Proposed executing/implementing agencies: Ministry of Finance/Provincial Governments.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:
The full involvement of the executing agency is expected.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: CSPU 2003

b. Expected date of submission for approval
Lending: October 2005
Nonlending (project preparatory): Not applicable
Nonlending (other than project preparatory): April 2005

c. Period and duration of assistance
Lending: 2005-2009 (5 years)
Nonlending: 4 months in 2005

10. Financing Plan

- a. For lending
- Ordinary capital resources: to be decided in consultation with Government
 - Asian Development Fund: \$15 million
 - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	
<p>b. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff</p> <p><input type="checkbox"/> ADB's administrative budget:</p> <p><input checked="" type="checkbox"/> Grant TA funds: \$ 300,000 (TASF)</p> <p><input checked="" type="checkbox"/> Other: ADB guarantee products</p>	
<p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):</p>	
Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

ADB = Asian Development Bank, CSP = country strategy and program, PPP = public-private partnership, RCSP = regional cooperation strategy and program, PPTA = project preparatory technical assistance, TA = technical assistance, technical assistance special fund.

**Table A3.6: Punjab Resource Management Program
Concept Paper**

Date: 30 July 2004

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p> <input type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input type="checkbox"/> Project preparatory</p> <p> <input checked="" type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input checked="" type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Law, Economic Management, and Public Policy Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Core poverty intervention</p> <p> <input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input checked="" type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input checked="" type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development							
<input checked="" type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Governance, Finance and Trade Division, South Asia Department</p>								
<p>5. Responsible ADB officer: Jorn Brommelhorster</p>								
<p>6. Description of assistances</p> <p>a. Background/linkage to country/regional strategy: Despite many initiatives aimed at developing Pakistan's economic and social sectors, the country's level of development remains below its potential. Social indicators are lagging. A crisis of governance encompassing public institutions and functions has been identified as a central element of the poor development performance both at the federal and provincial levels. The Asian Development Bank (ADB), too, has included governance reform as a central pillar of its assistance program for Pakistan. The government has undertaken reform measures at various levels, including the provinces, and ADB has been requested to assist Punjab in reforming its public sector and processes. A cluster program has been initiated in 2003 and shall be implemented over a period of about 5 years. The second and third subprograms are for approval in 2005 and 2006. TA is required to support program formulation and implementation.</p> <p>b. Goal and purpose: The goal of the TA is to help formulate of subprograms 2 and 3 and implement the cluster program. This should help to support poverty reduction through good governance, including improved public sector resource management.</p>								

c. Components and outputs: The TAs will provide policy advice and capacity strengthening through consulting services, with a focus on (i) civil service reform, human resources development, and development of key institutions; (ii) pro-poor delivery of basic social and public services; and (iii) private-sector development, public-private partnerships, and public sector organization reform.

d. Expected results and deliverables: Sound policy advice and structuring of capacity building activities, including on-the-job training and interaction with the executing and implementing agencies, as well as wider stakeholders.

e. Social or environmental issues or concerns: No adverse social or environmental concerns are expected.

f. Plans for disseminating results/deliverables: Stakeholder workshops and consultation. Integration of civil society in program formulation.

7. Proposed executing/implementing agencies: Executing agency: Punjab Planning and Development Department. Implementing agency: Various departments.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: The full involvement of the executing agency is expected. Active involvement of civil society and stakeholders will be sought.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: CSPU 2004

b. Expected date of submission for approval
 Lending: Not applicable
 Nonlending (project preparatory): Not applicable
 Nonlending (other than project preparatory): 2005

c. Period and duration of assistance
 Lending: Not applicable
 Nonlending: 18 months

10. Financing Plan

a. For lending
 Ordinary capital resources: \$
 Asian Development Fund: \$
 Other:

If cofinancing is required indicate sources, and amount sought:
 If known, provide cost estimates and financing arrangements (e.g. total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

b. For nonlending
 No resources required, other than ADB staff
 ADB's administrative budget: \$
 Grant TA funds: \$150,000 (TASF) in 2005, \$200,000 (TASF) in 2006
 Other:

If cofinancing is required indicate sources, and amount sought:
If known, provide cost estimates and financing arrangements (e.g. total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	

Source:

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance, TASF = technical assistance special fund.

**Table A3.7: Federally Administered Tribal Areas (FATA) Governance Reforms Program
Concept Paper**

Date: 30 July 2003

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Law, Economic Management, and Public Policy Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input checked="" type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Gender and development	
<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input checked="" type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Pakistan Resident Mission, South Asia Department</p>								
<p>5. Responsible ADB officer: Ismat Shahjehan, Pakistan Resident Mission</p>								
<p>6. Description of assistances</p> <p>a. Background/linkage to country/regional strategy: The government has announced a reform agenda for the Federally Administered Tribal Areas (FATA) that includes (i) extension of the Devolution Plan into FATA; (ii) integration of law enforcing agencies; (iii) integration of FATA and restructuring of administrative departments; (iv) transfer of federal levies to provincial government; and (v) reforms in judicial system through establishment of a three-tier judicial system and amendments to the Frontier Crimes Regulation (FCR). The Ministry of States and Frontier Regions and Governors' Secretariat, the key government agencies dealing with governance issues in FATA, need to augment these reform commitments and require technical expertise to design a multiyear, multicomponent reform agenda, proposals, and plans in line with these larger commitments. The CSP and CSPU have a major thematic focus on good governance to reduce poverty through improving access to justice and service delivery. To pursue these strategic objectives, the government and the Asian Development Bank (ADB) have agreed on two key interventions in FATA. The first is the FATA Rural Development Project, worth \$42 million, to be approved by ADB in 2004. The second is the FATA Governance Reform Program, which is articulated through a three-phased approach: (i) an institutional development technical assistance (IDTA) of \$300,000 in 2004 to formulate a comprehensive governance reform agenda for FATA; (ii) a technical assistance (TA) loan of \$5 million in 2005 to build capacity of the government to implement these reforms; and (iii) a program loan of \$25 million in 2006 to assist the federal government to implement a larger reform agenda in FATA and finance the associated adjustment costs.</p>								

b. Goal and purpose: The objective of the IDTA is to assist Ministry of Kashmir Affairs and Northern Areas and States and Frontier Regions (KANA & SAFRON), and the Governor's Secretariat, FATA, to formulate a comprehensive reform agenda, proposals, and a plan for improving political, financial, administrative and judicial systems in FATA.

c. Components and outputs: Main components of the IDTA will include (i) establishment of a FATA Reform Cell in Ministry of KANA & SAFRON, and (ii) technical support for formulating a detailed reform agenda, reform proposals, and (iii) planning and support, as required, for constituency building at the political and other levels for reforms in FATA.

d. Expected results and deliverables: A politically, technically, and financially feasible FATA Governance Reform Plan covering policy and legal reforms, as well as fiscal, judicial, administrative and political reforms.

e. Social or environmental issues or concerns: Not applicable

f. Plans for disseminating results/deliverables: To be determined

7. Proposed executing/implementing agencies: Ministry of KANA & SAFRON

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Consultations with Ministry of KANA & SAFRON, federal and provincial governments, the governor of North-West Frontier Province (NWFP), FATA secretariat officials, civil society organizations, and other funding agencies working in FATA.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: CSPU 2003

b. Expected date of submission for approval
Lending:
Nonlending (project preparatory): Not applicable
Nonlending (other than project preparatory): IDTA

c. Period and duration of assistance
Lending:
Nonlending: 18 months

10. Financing Plan

- a. For lending
- Ordinary capital resources:
 - Asian Development Fund:
 - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g. total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

- b. For nonlending
- No resources required, other than ADB staff
 - ADB's administrative budget:
 - Grant TA funds: \$300,000 (TASF)
 - Other:

If cofinancing is required indicate sources, and amount sought:
 If known, provide cost estimates and financing arrangements (e.g. total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	

Source:

ADB = Asian Development Bank, CSP = country strategy and program, FATA = Federally Administered Tribal Areas, FCR =Frontier Crimes Regulations, IDTA = institutional development technical assistance, KANA & SAFRON = Ministry of Kashmir Affairs and Northern Areas and States and Frontier Regions, NWFP = North West Frontier Province, RCSP = regional cooperation strategy and program, TA = technical assistance, TASF = technical assistance special fund.

**Table A3.8: Housing Finance Project
Concept Paper**

Date: 30 July 2004

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Finance Subsector: Housing Finance</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <p><input checked="" type="checkbox"/> Sustainable economic growth <input type="checkbox"/> Environmental sustainability</p> <p><input type="checkbox"/> Inclusive social development <input type="checkbox"/> Regional cooperation</p> <p><input type="checkbox"/> Governance <input checked="" type="checkbox"/> Private sector development</p> <p><input type="checkbox"/> Gender and development</p>
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>
<p>4. Responsible division/department: Governance, Finance and Trade Division, South Asia Department</p>
<p>5. Responsible ADB officer: V. V. Subramanian</p>
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: Rapid population growth, increased urbanization, and relatively low investment in housing development have created a serious shelter problem in Pakistan, resulting in steady growth of informal settlements and severe pressure on urban infrastructure. The situation is further aggravated by the lack availability of and effective utilization of funds, institutional deficiencies, and the need for greater transparency and accountability in delivery of housing finance. As per the National Housing Policy of 2001, the annual additional requirement is estimated at about 570,000 housing units, whereas the annual production is estimated at about 300,000 housing units resulting in a recurring shortfall of 270,000 housing units annually. To make up the backlog and to meet the shortfall in the next 20 years the overall housing production has to be raised to 500,000 housing units annually. Home mortgage penetration in Pakistan is estimated at 1%, very low compared to 40 to 50% in advanced economies and low compared to other developing member countries such as Indonesia (7.5%), Thailand (13%), and Taiwan (25%).</p> <p>Despite the initiatives taken during the last 3 years to improve the enabling environment to attract and facilitate investment on housing, the sector has not yet taken off. Many constraints still need to be addressed. Among the more critical are: (i) a complex legal framework, unclear titling system, and problems in registration, enforcement of contracts, frozen rent control laws; (ii) high cost of registering property-related transactions, including registration fees, provincial stamp duty, and a local government property transfer fee; (iii) institutional investors</p>

such as insurance companies and provident funds have not explored housing markets as an investment vehicle, restricting the availability of long-term finance; (iv) one small private-sector housing finance institution that has been unable to grow because there is no secondary mortgage institution. Given the importance of housing construction in economic growth, with its large multiplier effect, there is need to both expand the role of public sector institutions such as the House Building Finance Corporation (HBFC) into secondary mortgage finance, and to develop a market for residential mortgage backed securities (RMBS) to provide a cost-effective matching refinance to bank and nonbank originators. In the United States, more than 60% of the portfolio is securitized. Items (i) and (ii) above are likely to be addressed under World Bank assistance while item (iv) would be under the proposed Asian Development Bank (ADB) technical assistance (TA).

b. Goal and purpose: The TA would aim to develop a roadmap for mortgage-backed securitization (MBS)—in particular, securitizing a portion of HBFC's own portfolio—to seed capital markets with this instrument and provide sustainable funding for HBFC's primary mortgage activities. The TA would also examine the role of HBFC as a secondary mortgage institution and in supporting the issuance of RMBS originated by private-sector bank/nonbank originators. This would also include its role in standardization of loan documentation and underwriting norm.

c. Components and outputs: The TA will help develop the framework for the MBS market and structure of the RMBS instrument to meet investor needs and reduce its risk weighting for capital adequacy; (ii) recommend the optimum structure of the credit enhancement; (iii) assess and comment on tax, legal, and accounting issues from investors' and issuers' perspectives and comment on hurdles in making this attractive for investors; (iv) examine what further regulatory changes are required to make it amenable to RMBS market; (iv) assess desirability of a third-party service provider, or creation of a new subsidiary, to make the RMBS bankruptcy remote and independent from the rating of the originator; (v) conduct a workshop for stakeholders to evaluate preliminary findings, build consensus on recommendations, and identify any remaining concerns regarding the project; and (iv) explore the possibility of establishing a mortgage insurance or fund.

d. Expected results and deliverables:

- (i) Capital market development through the introduction of the first RMBS in Pakistan from HBFC's own portfolio and provision of a funding alternative for primary mortgage operations of HBFC.
- (ii) Expanding role of HBFC as a secondary mortgage institution by standardizing credit underwriting standards of private sector bank/nonbank originators and providing credit enhancement for issuance of RMBS from their portfolio.
- (iii) Encourage growth in mortgage lending by both banks and nonbank finance institutions by providing a channel for cost-effective matching refinance.

e. Social or environmental issues or concerns: Not envisaged

g. Plans for disseminating results/deliverables: Workshop and seminars.

7. Proposed executing/implementing agencies: Ministry of Finance/HBFC

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: The TA will be undertaken with due participatory process involving stakeholder consultations with federal and provincial governments, financial institutions, and nongovernment organizations NGOs to ensure consensus on the proposed reform framework.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: 2004
- b. Expected date of submission for approval
 - Lending:
 - Nonlending
 - Nonlending (other than project preparatory): 2005
- c. Period and duration of assistance
 - Lending:
 - Nonlending: TA implementation will be about four months

10. Financing Plan

a. For lending

- Ordinary capital resources: \$
 Asian Development Fund:
 Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g. total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

b. For nonlending

- No resources required, other than ADB staff
 ADB's administrative budget:
 Grant TA funds: \$300,000 (TASF)
 Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g. total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

ADB = Asian Development Bank, CSP = country strategy and program, HBFC = House Building Finance Corporation, MBS = mortgage backed securities, RMBS = residential mortgage backed securities, RCSP = regional cooperation strategy and program, TA = technical assistance. TASF = technical assistance special fund.

**Table A3.9: Decentralization Support Program
Concept Paper**

Date: 30 July 2004

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p> <input type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input type="checkbox"/> Project preparatory</p> <p> <input checked="" type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input checked="" type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Governance Subsector: Not applicable</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Core poverty intervention</p> <p> <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Gender and development	
<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input checked="" type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Pakistan Resident Mission, South Asia Department</p>								
<p>5. Responsible ADB officer: Douglas J. Porter</p>								
<p>6. Description of assistances</p> <p>a. Background/linkage to country/regional strategy: As stated in the country strategy and program for 2002-2006, this institutional development technical assistance (IDTA) grant supports the ongoing Decentralization Support Program (DSP).</p> <p>b. Goal and purpose: The objective of the technical assistance (TA) is to support the government's implementation of devolution reforms. This TA will therefore augment the capacity of the federal and provincial governments to implement the DSP and the two TA loans associated with the program: TA 1: Local Government Performance Enhancement (Loan 1937-PAK), and Loan TA 2: Gender and Governance Mainstreaming (Loan 1938-PAK).</p> <p>c. Components and outputs: The TA components correspond with the primary areas of policy dialogue under the DSP, and will comprise the following: (i) capacity development of the provincial governments for full implementation of legal/regulatory mechanisms related to devolution of powers; (ii) facilitating institutional and human resources development for institutionalizing systems and procedures concerning decentralization; (iii) instituting performance monitoring and evaluation procedures to assess the implementation of DSP-related reforms; and (iv) supporting continued policy dialogue, research, and public communications.</p>								

The TA project will have four major outputs: (i) efficient and effective utilization by implementing agencies of resources—including donor-financed grants and loans—allocated to support devolution; (ii) established research, monitoring, and evaluation arrangements providing timely and strategic information on progress with implementation of reforms, compliance with budget management and accountability requirements, and the quality of institutions and capacity-building efforts; (iii) the creation of an informed and articulate constituency for the devolution process through regular exchanges of information and consensus building amongst stakeholders, both domestic and international; and (iv) contributions toward mechanisms and systems for channeling external agency funds to local governments targeting service delivery.

d. Expected results and deliverables: Effective program management of DSP; institutionalization of decentralized systems; consolidated performance monitoring and evaluation procedures; and countrywide policy dialogue and operationalization of a public communications strategy on decentralization.

e. Social or environmental issues or concerns:

f. Plans for disseminating results/deliverables: Results to be disseminated in more than 100 districts and subdistrict governments. Research and documentation will support the four provincial finance commissions and other government agencies central to effective devolution of powers.

7. Proposed executing/implementing agencies: Ministry of Finance and Ministry of Women's Development, Province Departments of Finance

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Extensive consultations with federal and provincial governments have already been held and demand for continuous TA (throughout the project life of DSP) was explicitly articulated during these consultations.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: CSPU 2003
- b. Expected date of submission for approval
 Lending: Not applicable
 Nonlending (project preparatory): Not applicable
 Nonlending (other than project preparatory): January 2005
- c. Period and duration of assistance
 Lending: Not applicable
 Nonlending: 1 year

10. Financing Plan

- a. For lending
- Ordinary capital resources: \$
- Asian Development Fund: \$
- Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g. total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

- b. For nonlending
- No resources required, other than ADB staff
- ADB's administrative budget: \$
- Grant TA funds: \$300,000 (TASF)
- Other:

If cofinancing is required indicate sources, and amount sought:
 If known, provide cost estimates and financing arrangements (e.g. total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

ADB = Asian Development Bank, CSP = country strategy and program, DSP = Decentralization Support Program, IDTA = institutional development technical assistance, RCSP = regional cooperation strategy and program, TA = technical assistance, TASF = technical assistance special fund.

Table A3.10: Strengthening Engagement of Nongovernment Organizations (NGOs) in Asian Development Bank (ADB) Policy and Operations Concept Paper

Date: 30 Jul 2004

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input checked="" type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>												
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Governance Subsector: Not applicable</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/></td> <td>Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td></td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td></td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> <td></td> </tr> </table>	<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/>	Environmental sustainability	<input type="checkbox"/> Inclusive social development		<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Governance		<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development		
<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/>	Environmental sustainability										
<input type="checkbox"/> Inclusive social development		<input type="checkbox"/> Regional cooperation										
<input checked="" type="checkbox"/> Governance		<input type="checkbox"/> Private sector development										
<input type="checkbox"/> Gender and development												
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>												
<p>4. Responsible division/department: Pakistan Resident Mission, South Asia Department</p>												
<p>5. Responsible ADB officer: Douglas J. Porter</p>												
<p>6. Description of assistances</p> <p>a. Background/linkage to country/regional strategy: As indicated in the country strategy and program (CSP) for 2002–2006, civil society engagement in governance and service delivery reforms are requirements for “second-generation” reforms. An Asian Development Bank (ADB)-nongovernment organization (NGO) framework also required to be articulated across major lending and technical assistance (TA) operations.</p> <p>b. Goal and purpose: Development of a country-specific ADB-NGO-government framework by focusing on civil society-government relations in the provinces of Balochistan and Punjab resulting in improvements in the design and implementation of ADB-assisted poverty reduction activities.</p> <p>c. Components and outputs: Component activities correspond with priority areas in existing or pipeline operations. The framework will focus on areas of cooperation as follows: (i) policy reforms/legal changes and regulations concerning the entitlements of the poor in the domains of land titling, administrative disputes, and core labor standards; (ii) institutional strengthening through reforms enabling provincial and local governments to engage with NGOs for increased access to state agencies such as the police, revenue administration, and</p>												

service delivery departments; and (iii) optimizing ADB-government operations by applying the framework developed to the projects and programs for poverty reduction.

d. Expected results and deliverables: Identification of mechanisms to improve access to justice and service delivery at the subnational levels by strengthening civil society's capacity to mediate and enhance entitlements for the poor at the province and local governmental levels. Refining and seeking clarity on ADB-NGO-government relations. Preparing guidelines on engagement of NGOs in ADB and government projects, preparing a strategy to reflect the NGO-government cooperation initiatives in the annual and medium-term budgetary processes, and pilot-testing the cooperation framework developed during the TA at the district level.

e. Social or environmental issues or concerns: Not applicable.

f. Plans for disseminating results/deliverables: Results of pilot projects developed will be widely disseminated to government departments and NGOs. Results will also be linked to the forthcoming Family Protection Project, Punjab Local Justice Program, sector-specific investment projects, and resource management programs supported by ADB in the two provinces.

7. Proposed executing/implementing agencies: To be determined.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Consultations with civil society organizations such as the Pakistan Center for Philanthropy, federal and provincial government institutions, and other agencies working for good governance in Pakistan.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: CSPU 2003
- b. Expected date of submission for approval
 - Lending: Not applicable
 - Nonlending (project preparatory): Not applicable
 - Nonlending (other than project preparatory): January 2004
- c. Period and duration of assistance
 - Lending: Not applicable
 - Nonlending: 12 months

10. Financing Plan

- a. For lending
 - Ordinary capital resources: \$
 - Asian Development Fund: \$
 - Other:

If cofinancing is required indicate sources, and amount sought:
 If known, provide cost estimates and financing arrangements (e.g. total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

- b. For nonlending
 - No resources required, other than ADB staff
 - ADB's administrative budget: \$
 - Grant TA funds: \$150,000 (TASF)
 - Other:

If cofinancing is required indicate sources, and amount sought:
 If known, provide cost estimates and financing arrangements (e.g. total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

ADB = Asian Development Bank, CSP = country strategy and program, DSP = Decentralization Support Program, NGO = nongovernment organization, RCSP = regional cooperation strategy and program, TA = technical assistance, TASF = technical assistance special fund.

**Table A3.11: Result-Based Monitoring of Projects
Concept Paper**

Date: 30 July 2004

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p> <input type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input type="checkbox"/> Project preparatory</p> <p> <input checked="" type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input checked="" type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p>												
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Law, Economic Management, and Public Policy Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Core poverty intervention</p> <p> <input type="checkbox"/> Poverty intervention</p> <p> <input type="checkbox"/> Other</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/></td> <td>Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td></td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td></td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> <td></td> </tr> </table>	<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/>	Environmental sustainability	<input type="checkbox"/> Inclusive social development		<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Governance		<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development		
<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/>	Environmental sustainability										
<input type="checkbox"/> Inclusive social development		<input type="checkbox"/> Regional cooperation										
<input checked="" type="checkbox"/> Governance		<input type="checkbox"/> Private sector development										
<input type="checkbox"/> Gender and development												
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>												
<p>4. Responsible division/department: Pakistan Resident Mission, South Asia Department</p>												
<p>5. Responsible ADB officer: Sangpa Tamang</p>												
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: The current project monitoring system with the government being established under technical assistance (TA) 3982-PAK: Strengthening Portfolio Performance and Monitoring does not include design phase parameters to assess the adequacy of project designs with respect to (i) linkage with the Poverty Reduction Strategy Paper (PRSP); (ii) assessment of risks, sustainability, and capacity; (iii) accuracy of data/information used; and (iv) assessment of strategy/approaches/arrangements adopted to achieve the project objective. The existing system has to be expanded to include line ministries at the federal level and line departments at the provincial level, as well as projects financed by government and other agencies. The quality of project documents (PC-1s) prepared by Government agencies and line departments will have to significantly improve with proper data to enable establishment of proper control points for results-based monitoring of project implementation.</p> <p>b. Goal and purpose: The objective is to strengthen government's capacity for result-based monitoring of projects. The scope of the TA will include (i) strengthening the existing system and making it sustainable; (ii) expanding the scope of the system to enable results-based monitoring (RBM) of project performance, including</p>												

monitoring and evaluation of issues at all stages of the project cycle (identification, preparation, appraisal, approval, implementation, and evaluation); (iii) expanding the scope of the system to cater to the needs of the government to monitor other projects (government- and other agency-financed projects); and (iv) providing software to automate the preparation of PC-1s.

c. Components and outputs: About 4 person-months of international and 53 person-months of domestic consulting services will be required. The international consultant will be specialist in result-based monitoring system mainstreaming, as well as in training. The domestic consultants will be specialist in project management information systems (MIS), feasibility studies (PC-1), data management, and project processing and implementation.

The TA will strengthen the existing system for result-based monitoring of project implementation and government capacity to measure and analyze project progress, and use such information on progress to mainstream improved implementation for achieving the project results. The approach follows ADB's results-oriented intervention objective of (i) assisting in building results-based management capacity in developing member countries (DMCs); and (ii) developing the ability to measure and analyze progress toward results, and use information on results to improve performance.

d. Expected results and deliverables: Effective management of projects impacts; improved quality of project implementation; and timely completion of projects.

e. Social or environmental issues or concerns: None.

f. Plans for disseminating results/deliverables: To be finalized during processing.

7. Proposed executing/implementing agency or agencies: Planning and Development Division

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Close consultations with the Planning Commission, line departments in the provincial governments, district governments, and project executing agencies.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2005

b. Expected date of submission for approval
Lending:
Nonlending (project preparatory):
Nonlending (other than project preparatory):

c. Period and duration of assistance
Lending:
Nonlending: 10 months

10. Financing Plan

- a. For lending
- Ordinary capital resources:
 Asian Development Fund: \$
 Other: \$

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g. total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

- b. For nonlending
- No resources required, other than ADB staff
 - ADB's administrative budget:
 - Grant TA funds: \$300,000 (TASF)
 - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g. total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

ADB = Asian Development Bank, CSP = country strategy and program, DMCs = developing member countries, MIS = management information system, PRSP = poverty reduction strategy paper, RBM = results-based monitoring, RCSP = regional cooperation strategy and program, TA = technical assistance, TASF = technical assistance special fund.

**Table A3.12: Strengthening Domestic Consulting Services
Concept Paper**

Date: 30 July 2004

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p> <input type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input type="checkbox"/> Project preparatory</p> <p> <input checked="" type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input checked="" type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Law, Economic Management, and Public Policy Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Core poverty intervention</p> <p> <input type="checkbox"/> Poverty intervention</p> <p> <input type="checkbox"/> Other</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Pakistan Resident Mission, South Asia Department</p>								
<p>5. Responsible ADB officer: Sangpa Tamang</p>								
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: The capacity development of government institutions alone is not adequate to fulfill the project implementation requirements. The private sector—and consulting services, in particular, to start with—will need to play a prominent role in providing efficient and professional inputs. The critical role of consultants in project implementation is not fully realized by the clients, and clients are too dominant, preventing consultants from providing professional and productive inputs. For the consultants to perform well, a conducive environment has to be created with adequate regulatory, protection, and prosecution provisions. While the government is revising the bill giving the Pakistan Engineering Council (PEC) a more prominent role in developing the domestic consulting services, among other tasks, assistance is required to enable PEC to perform its new role through the Association of Consulting Engineers of Pakistan (ACEP). The environment will also enable competition based on performance.</p> <p>b. Goal and purpose: The objective is to create a conducive environment for domestic consultants' participation in project implementation. This will enable consultants to provide productive inputs, as well as</p>								

ensuring checks and balances in project implementation. The scope will include (i) comprehensive review of bylaws and regulations, as well as updating bylaws and regulations if necessary; (ii) institutional strengthening of the ACEP for overseeing the implementation of bylaws and regulations; (iii) institutional strengthening of PEC for dispute resolution and adjudication; and (iv) installation of system to track the consultants' complaints from initiation to implementation of final decisions. For this purpose ADB assistance in the form of technical assistance (TA) is required.

c. Components and outputs: About 30 person-months of domestic consulting services will be required. The consultants will be specialists in project implementation, dispute resolution, bylaws and regulation review, institutional strengthening and training, and information system development.

The TA will establish a conducive environment for domestic consultants to perform in project implementation through adequate regulatory, protection and prosecution provisions. The empowered participation by the domestic consultants will enable them to provide more professional and productive input without fear or favor. The approach is in line with ADB's results-oriented intervention objective of helping build results-based management capacity in developing member countries (DMCs).

d. Expected results and deliverables: More effective private-sector participation in project implementation; better project implementation; reduced conflicts in contracts administration; and timely completion of projects.

e. Social or environmental issues or concerns: None.

f. Plans for disseminating results/deliverables:

7. Proposed executing/implementing agency or agencies: Pakistan Engineering Council

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Close consultations with the Planning Commission and the Pakistan Engineering Council.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2005
- b. Expected date of submission for approval
 - Lending:
 - Nonlending (project preparatory):
 - Nonlending (other than project preparatory):
- c. Period and duration of assistance
 - Lending:
 - Nonlending:

10. Financing Plan

- a. For lending
 - Ordinary capital resources:
 - Asian Development Fund: \$
 - Other: \$

If cofinancing is required, indicate amount and sources sought: \$ ____, from ____.
If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	

Source:

- b. For nonlending
 - No resources required, other than ADB staff
 - ADB's administrative budget:
 - Grant TA funds: \$200,000 (TASF)
 - Other:

If cofinancing is required, indicate amount and sources sought: \$____, from ____.
 If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

ACEP = Association of Consulting Engineers of Pakistan, ADB = Asian Development Bank, CSP = country strategy and program, DMCs = developing member countries, PEC = Pakistan Engineering Council, RCSP = regional cooperation strategy and program, TA = technical assistance, TASF = technical assistance special fund.

**Table A3.13: Mega-city Project I
Concept Paper**

Date: 30 July 2004

<p>1. Type/modality of assistance</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Lending <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Project loan <input type="checkbox"/> Program loan <input type="checkbox"/> Sector loan <input type="checkbox"/> Sector development program loan <input type="checkbox"/> Other: <input checked="" type="checkbox"/> Nonlending <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Project preparatory <input type="checkbox"/> Other than project preparatory <ul style="list-style-type: none"> <input type="checkbox"/> Economic, thematic, and sector work <input type="checkbox"/> Institutional development <input type="checkbox"/> Other: 		
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: To be determined Subsector: To be determined</p> <p>b. For project preparatory and lending, classification</p> <ul style="list-style-type: none"> <input type="checkbox"/> Core poverty intervention <input checked="" type="checkbox"/> Poverty intervention <input type="checkbox"/> Other <p>c. Key thematic areas</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> <input type="checkbox"/> Sustainable economic growth <input checked="" type="checkbox"/> Inclusive social development <input checked="" type="checkbox"/> Governance <input type="checkbox"/> Gender and development </td> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Environmental sustainability <input type="checkbox"/> Regional cooperation <input checked="" type="checkbox"/> Private sector development </td> </tr> </table>	<ul style="list-style-type: none"> <input type="checkbox"/> Sustainable economic growth <input checked="" type="checkbox"/> Inclusive social development <input checked="" type="checkbox"/> Governance <input type="checkbox"/> Gender and development 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Environmental sustainability <input type="checkbox"/> Regional cooperation <input checked="" type="checkbox"/> Private sector development
<ul style="list-style-type: none"> <input type="checkbox"/> Sustainable economic growth <input checked="" type="checkbox"/> Inclusive social development <input checked="" type="checkbox"/> Governance <input type="checkbox"/> Gender and development 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Environmental sustainability <input type="checkbox"/> Regional cooperation <input checked="" type="checkbox"/> Private sector development 	
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>		
<p>4. Responsible division/department: Social Sectors Division/South Asia Department</p>		
<p>5. Responsible ADB officer: To be determined</p>		
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: Karachi is Pakistan's largest city with a population of about 14 million, and the country's economic hub playing a significant role in the overall socio-economic setting. Karachi has the country's only deepwater seaports, it generates about 20% of the national GDP, and over 30% of value added in large manufacturing. In addition, 40% of total federal government revenue collections are in Karachi. The city's economy is large and diverse, and contains the largest and most dynamic industrial complex in the country, producing a wide variety of goods from textiles to chemicals, steel, and machinery. It is the location of most of the country's importers and exporters, and the largest center of retail trade and commerce, and head offices of many banks and insurance companies.</p> <p>Karachi's population and economic activities are growing fast, and the city has rapidly expanded in size and magnitude, without much planned intervention. It has the highest concentration of the country's urban population growing annually at around 6%. Sindh's total population is about 35 million, about 30% of the country's total population of 140 million. Half of Sindh's population live in urban areas and most of them in Karachi.</p>		

Continuing expansion of the city and overcrowding by high population pressure has resulted in deteriorating the city environment and living conditions of the people. Severe deficiencies have developed in the basic urban services such as water supply, sewerage systems, drainage, solid waste management, transportation/roads, and community facilities. These deficiencies have particularly affected the urban poor and worsened their quality of life, making them vulnerable to poor health, harsher socio-economic conditions, increased poverty and shelter less living in slums. About 40% of the inhabitants are living in informal settlements, known as *katchi abadis*.

The Government recognizes the adverse socio-economic implications of the fast growing urban population, and considers the needed improvement to urban services and infrastructure, and environment, as a matter of serious attention. Such improvement, appropriately guided by equity considerations, is recognized as an important contributor to poverty reduction; it will also stimulate economic growth, higher productivity and employment. The Government has requested the ADB 2004 Country Programming Mission for assistance for urban renewal and development, which would focus first on Karachi city. The city government of Karachi has identified rehabilitation and improvement in the water supply and sewerage system, introducing an efficient mass transit system, and improving living conditions in slum areas, as the three main needs of the city from an urban renewal and development perspective. Improving solid waste management and the garbage disposal system is identified as another important area for assistance, along with developing an effective disaster management and response system.

The ADB country strategy and program update (2004-2006) for Pakistan continues to focus on poverty reduction through sustainable pro-poor growth, inclusive social development, and good governance. It also highlights the need to support human resources development and social infrastructure requirements, as well as the policy environment, including priority for macroeconomic management, economic stabilization and restructuring, and devolution of social services. The strategy emphasizes the effective uses of ADB assistance for poverty reduction and improved delivery of basic services to the people, particularly the disadvantaged and poor segments of the population. Within this framework, the priority areas for ADB support in the urban sector would include sustainable environmental management; meeting the basic needs of the poor, and improving social services delivery; private sector participation and involvement; increased community participation; and cost recovery and revenue generation.

b. Goal and purpose: To assist the government in the development of a holistic and comprehensive vision and strategy for development of the mega-city of Karachi, aimed at providing sustainable urban facilities and services, environmental improvement, and uplifting the quality of living, with special attention to the urban poor.

c. Components and outputs: The TA will (i) conduct a strategic planning study of the Karachi city development needs and priorities; (ii) examine the various urban services and delivery system, and institutional capacities of the Karachi Metropolitan City Corporation and concerned government agencies; (iii) conduct a rapid assessment of the quality of living, particularly of the poor and disadvantaged people; (iv) identify issues of financing of basic urban services, revenue earning, and cost recovery; and the private sector involvement; and (v) develop framework and outline terms of reference of a master plan for mega city development.

d. Expected results and deliverables: To be determined during TA preparation

e. Social or environmental issues or concerns: To be determined during TA preparation

f. Plans for disseminating results/deliverables: To be determined during TA preparation.

7. Proposed executing/implementing agency or agencies: City District Government of Karachi

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Stakeholders in the government, local government and community representatives, donors, and NGOs would be closely consulted and involved during the TA implementation. In addition, focus group discussions will be organized to share the TA findings and recommendations.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2004

b. Expected date of submission for approval

Lending: 2006

Nonlending (project preparatory): 2005

Nonlending (other than project preparatory): Not applicable

- c. Period and duration of assistance
 Lending: tbd
 Nonlending:

10. Financing

- a. For lending
 Ordinary capital resources: \$115 million
 Asian Development Fund: \$
 Other:

If cofinancing is required, indicate amount and sources sought: \$____, from _____.
 If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	

Source:

- b. For nonlending
 No resources required, other than ADB staff
 ADB's administrative budget: \$
 Grant TA funds: \$150,000 (tbd)
 Other:

If cofinancing is required, indicate amount and sources sought: \$____, from _____.
 If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	

Source:

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance, tbd = to be determined.

**Table A3.14: Social Health Insurance
Concept Paper**

Date: 30 July 2004

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p> <input checked="" type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input checked="" type="checkbox"/> Project preparatory</p> <p> <input type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Health, Nutrition, and Social Protection Subsector: Social Protection</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Core poverty intervention</p> <p> <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input checked="" type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Social Sectors Division, South Asia Department</p>								
<p>5. Responsible ADB officer: Axel Weber</p>								
<p>6. Description of assistances</p> <p>a. Background/linkage to country/regional strategy: Poverty is rampant in Pakistan and has increased in the past decade. An estimated 35% of the population lives below the poverty line. Low human development status and weak social services, which often do not reach the needy, have increased poverty. The situation in health care provision and the associated costs for the private households contributes significantly to poverty. Studies in Cambodia have shown that 50-80% of very poor households became very poor because of serious illness. Most of them had to sell assets or borrow money from wealthier neighbors. Borrowed money often cannot be paid back, so moneylenders obtain the assets of the borrowers as compensation. The situation in Pakistan is similar.</p> <p>Major health incidents, especially catastrophic ones, may aggravate household poverty or lead to bankruptcy. Private health sector development is also constrained by inadequate development of health insurance. Poor access to health insurance poses a major problem for financing of care for catastrophic illnesses and injuries.</p>								

Risk pooling, for example through health insurance, may prevent households from falling into poverty and those who are already poor will have the chance to access better health services. Health insurance thus makes a major contribution to poverty reduction and prevention. Even in cases where health insurance does not pay for services, it can provide a service to customers through negotiation of prices for health care, thus making the costs of services more transparent.

Health insurance also can make a contribution to improving health infrastructure through financing, quality assurance, and monitoring.

Many medical options are not offered simply because there is nobody to pay for them. Often treatments even are not available not because people do not need them but because there is no purchasing power.

Various countries in the region have successfully established social health insurance schemes (Peoples Republic of China, Republic of Korea, Viet Nam) or are planning to establish one (Indonesia).

The World Bank has recently promoted health insurance pilots in Pakistan. The provincial governments of North-West Frontier Province (NWFP) and Punjab have taken steps to establish health insurance. These initiatives would have to be taken into account.

b. Goal and purpose: The goal of the project is to improve social protection in Pakistan. The purpose is to help establish a social health insurance system in Pakistan.

c. Components and outputs: The project preparatory technical assistance (PPTA) will (i) identify needs to review, revise, and develop existing health insurance and health care arrangements at the federal and provincial levels; (ii) assess results of and lessons learned from other projects and activities inside and outside Pakistan; and (iii) conduct a feasibility study to identify activities and components to achieve the goal of preparing the design of the social health insurance project. These may include legal reform, institutional reform, capacity building, service delivery, investment, and awareness raising. Based on feasibility, the PPTA may also determine scope, implementation arrangements, and components of a possible loan of \$50 million for a social health insurance project.

d. Expected results and deliverables: The expected outcome of the program would be a project design for a social health insurance project.

e. Social or environmental issues or concerns: No adverse impacts expected. The project will have social and human development benefits for the poor and vulnerable people.

f. Plans for disseminating results/deliverables: The project results and milestones will be discussed in workshops with the government, funding agencies, and relevant stakeholders and will be published and shared with government agencies and interested funding agencies/stakeholders.

7. Proposed executing/implementing agencies: Ministry of Labor

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: In the context of a social protection study (CSP 2003) the possibilities for implementing a social health insurance system have been discussed at length with the central and provincial governments.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: CSPU 2003

b. Expected date of submission for approval
 Lending: 2006
 Nonlending (project preparatory): 2005
 Nonlending (other than project preparatory): Not applicable

c. Period and duration of assistance
 Lending: To be determined
 Nonlending: 6 months

10. Financing Plan

- a. For lending
- Ordinary capital resources: \$30 million
 - Asian Development Fund
 - Other: \$

If cofinancing is required indicate sources, and amount sought:
 If known, provide cost estimates and financing arrangements (e.g. total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

- b. For nonlending
- No resources required, other than ADB staff
 - ADB's administrative budget: \$
 - Grant TA funds: \$350,000 (TASF)
 - Other:

If cofinancing is required indicate sources, and amount sought: \$300,000 (To be determined)
 If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

ADB = Asian Development Bank, CSP = country strategy and program, NWFP = North West Frontier Province, PPTA = project preparatory technical assistance, RCSP = subregional cooperation strategy and program, TA = technical assistance, TASF = technical assistance special fund.

**Table A3.15: District Road Resources Management
Concept Paper**

Date: 30 July 2004

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input checked="" type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input checked="" type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport Subsector: Roads and road transport</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Transport and Communications Division, South Asia Department</p>								
<p>5. Responsible ADB officer: Hasan Masood</p>								
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: Improved access to rural areas stimulates economic growth in less developed areas, reduces poverty, and improves access to education, health, and other social services. This is particularly relevant for the rural poor in the four provinces of Pakistan where the overall poverty incidence is as high as 44%. To improve quality, efficiency, and sustainability of rural roads, it is critical to build capacity of the district governments for improved road operation, rehabilitation, and maintenance. This will also support the government's devolution initiative.</p> <p>b. Goal and purpose: The project objectives are to (i) reduce rural poverty and increase access for rural populations to markets and social services by improving and rehabilitating the rural road network at the district level, (ii) preserve road assets by strengthening the institutional capacity at district governments and improve processes for road maintenance and management, and (iii) identify and mobilize resources for sustaining the rural road network.</p>								

c. Components and outputs: The project will include (i) capacity building of district governments in road asset management, (ii) planned rehabilitation of road network in selected districts, (iii) setting up a district road maintenance fund, and (iv) poverty-focused interventions and poverty impact monitoring. The project will be implemented in several selected districts in each of the four provinces. Rehabilitation of the rural access roads will follow a sector approach.

d. Expected results and deliverables: Expected project results are (i) reduced rural poverty and increased access for rural populations to markets and social services, (ii) improved utilization of resources, (iii) strengthened institutional capacity in district governments in road operation and maintenance.

e. Social or environmental issues or concerns: Social and environmental issues will be addressed and strictly monitored during project design and implementation. Safeguard compliance issues will be mitigated and monitored through (i) a resettlement framework and plan, (ii) an indigenous people's plan, (iii) an environmental impact assessment or initial environmental examination, and (iv) an environmental management plan. Consultation with stakeholders—including civil society, NGOs, road users, and the poor—will be important for optimal project design and to address all key issues.

f. Plans for disseminating results/deliverables: Workshops with stakeholders will be held during project preparatory technical assistance (PPTA) implementation and loan processing. Summary of final report and resettlement framework and plan will be posted on government and ADB web sites.

7. Proposed executing/implementing agencies: Provincial local government and rural development departments, provincial works and services departments, and district governments in participating districts.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Consultation with stakeholders, including road users, and the poor living along the roads, will be held during PPTA fact finding and will continue during PPTA implementation and loan processing. Consultation meetings will involve all stakeholders, specifically the poor, and used as input to formulate and agree the scope of the project.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: CSPU 2002
- b. Expected date of submission for approval
 Lending: 2006
 Nonlending (project preparatory): 2005
 Nonlending (other than project preparatory): Not applicable
- c. Period and duration of assistance
 Lending: 5 years
 Nonlending: 6 months

10. Financing Plan

- a. For lending
 Ordinary capital resources: \$90 million
 Asian Development Fund: \$10 million
 Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g. total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

- b. For nonlending
 No resources required, other than ADB staff
 ADB's administrative budget:
 Grant TA funds: \$400,000 (TASF)
 Other:

If cofinancing is required indicate sources, and amount sought:
 If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	

Source:

ADB = Asian Development Bank, CSP = country strategy and program, PPTA = project preparatory technical assistance, RCSP = regional cooperation strategy and program, TA = technical assistance, TASF = technical assistance special fund.

Table A4.1: Assistance Pipeline for Lending Products, 2004

Sector Project/Program Name	Poverty Classifi- cation	Thematic Priority	Division	Year of Project Preparatory Assistance	Total	Cost (\$ million)				Cofi- nancing
						ADB			Gov't	
						OCR	ADF	Total		
2004 Firm Loans										
Agriculture and Natural Resources										
1. Sustainable Livelihoods in Barani Areas Project (Punjab)	CPI	GD/ISD	SAAE	2003	tbd	00.0	41.0	41.0	tbd	tbd
2. FATA Rural Development Project	CPI	ECO/GD	SAAE	2002	tbd	0.0	42.0	42.0	tbd	tbd
Subtotal					tbd	0.0	83.0	83.0	tbd	tbd
Law, Economic Management, and Public Policy										
3. Balochistan Resource Management Program	PI	GG/SP	SAGF	2003	tbd	100.0	23.0	123.0	tbd	tbd
Subtotal					tbd	100.0	23.0	123.0	tbd	tbd
Education										
4. Restructuring of Technical Education & Vocational Training System	PI	ECO/GD/ISD	SASS	2002	tbd	0.0	27.0	27.0	tbd	tbd
Subtotal					tbd	0.0	27.0	27.0	tbd	tbd
Water Supply, Sanitation, and Waste Management										
5. Rawalpindi Environmental Improvement	PI	GD/ENV	SASS	2003	tbd	20.0	40.0	60.0	tbd	tbd
Subtotal						20.0	40.0	60.0	tbd	tbd
Multisector										
6. Punjab Devolved Social Services	CPI	GD/ISD/GOV	SASS	2003	tbd	0.0	75.0	75.0	tbd	50.0
7. Multisector Rehabilitation Project in AJK	PI	ECO/ENV	SASS		tbd	0.0	57.0	57.0	tbd	tbd
Subtotal					tbd	0.0	132.0	132.0	tbd	tbd
Transport and Communications										
8. NWFP Road Development Sector and Subregional Connectivity	PI	ECO/REG	SATC	2003	tbd	297.0	5.0	302.0	tbd	tbd
Subtotal					tbd	297.0	5.0	302.0	tbd	tbd
Total					tbd	417.0	310.0	727.0	tbd	tbd

ADB = Asian Development Bank; ADF = Asian Development Fund; AJK = Azad Jammu and Kashmir; CPI = core poverty intervention; ECO = economic growth; ENV = environment protection; FATA = Federally Administered Tribal Areas; GD = gender and development; GOV = governance; ISD = inclusive social development; NWFP = North-West Frontier Province; OCR = ordinary capital resources; PI = poverty intervention; PSD = private-sector development; REG = regional cooperation; SAAE = South Asia Agriculture, Environment, and Natural Resources Division; SAEN = South Asia Energy Division; SAGF = South Asia Governance, Finance and Trade Division; SASS = South Asia Social Sectors Division; SATC = South Asia Transport and Communications Division
Source: Asian Development Bank

Table A4.2: Assistance Pipeline for Nonlending Products and Services, 2004

Sector Assistance Name	Responsible Division	Assistance Type	Sources of Funding				Total (\$'000)	
			ADB		Others			
			Source	Amount (\$'000)	Source	Amount (\$'000)		
2004								
Agriculture and Natural Resources								
1.	Balochistan Rural Development and Drought Mitigation	SAAE	PP	TASF	300.0	DEN	300.0	600.0
2.	Sindh Coastal and Inland Community Development Project	SAAE	PP	JSF	500.0		0.0	500.0
3.	Water Sector Irrigation Development in Pakistan	SAAE	ID	TASF	300.0		0.0	300.0
	Subtotal				1,100.0		300.0	1,400.0
Energy								
4.	Renewable Energy Development	SAEN	PP		550.0		0.0	550.0
	Subtotal				550.0		0.0	550.0
Law, Economic Management, and Public Policy								
5.	FATA Governance	SAGF	ID	TASF	300.0		0.0	300.0
6.	Balochistan Public Resource Management Program	SAGF	ID	TASF	400.0		0.0	400.0
7.	Punjab Resource Management Program	SAGF	ID	TASF	250.0		0.0	250.0
8.	Strengthening Alignment of ADB Operations to Devolution	PRM	ID	TASF	350.0		0.0	350.0
9.	Streamlining Procedures to Reduce Delays in Startup of Development Projects	PRM	ID	TASF	150.0		0.0	150.0
10.	Support for GRAP Implementation	PRM	ID	TASF	100.0	CIDA/PRF	3,900.0	4000.0
11.	Implementation of Police Reforms in Punjab	PRM	ID		0.0	PRF	900.0	900.0
	Subtotal				1,550.0		4,800.0	6,350.0
Education								
12.	Nonformal Primary Education Functional Literacy for Rural Women in Selected Barani Areas of Punjab	SAAE	ID		0.0	PRF	400.0	400.0
	Subtotal				0.0		400.0	400.0
Water Supply, Sanitation, and Waste Management								
13.	Sindh Basic Urban Services	SASS	PP	TASF	400.0		0.0	400.0
	Subtotal				400.0		0.0	400.0
Multisector								
14.	Balochistan Devolved Social Services	SASS	PP	TASF	400.0		0.0	400.0

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Sector Assistance Name	Responsible Division	Assistance Type	Sources of Funding				Total (\$'000)
			ADB		Others		
			Source	Amount (\$'000)	Source	Amount (\$'000)	
15. Capacity Building for Environmental Management in Sindh	SASS	ID	TASF	400.0		0.0	400.0
16. Coordination of Devolved Social Services Programs	SASS	ID	TASF	150.0		0.0	150.0
17. Mobilization of Grassroots Stakeholders for Pro-Poor Social Service Delivery	SASS	ID		0.0	PRF	500.0	500.0
18. Determinants and Drivers of Poverty Reduction and ADB's Contribution in Rural Pakistan	PRM	ID		0.0	PRF	400.0	400.0
19. Enhancing Pakistan's International Competitiveness	PRM	ID	TASF	150.0		0.0	150.0
Sub-total				1,100		900.0	2,000
Transport and Communication							
20. Transport Sector Support	SATC	ID	JSF	300.0		0.0	300.0
Sub-total				300.0			300.0
Total				5,000		6,400	11,400

ADB = Asian Development Bank, CIDA = Canadian International Development Agency, DEN = Denmark, ETSW = economic, thematic, and sector work, ID = institutional development, JSF = Japan Special Fund, PP = project preparatory, PRF = Poverty Reduction Cooperation Fund, SAAE = South Asia Agriculture, Environment, and Natural Resources Division, SAEN = South Asia Energy Division, SAGF = South Asia Governance, Finance and Trade Division, SASS = South Asia Social Sectors Division, SATC = South Asia Transport and Communications Division, TASF = technical assistance special fund, tbd = to be determined.

Source: Asian Development Bank

Table A5.1: Changes in Loans Programmed in the CSPU 2004-2006

S. No	Year (as in CSPU)	Project/Program Name	Responsible Division	Amount (\$million) as in CSPU			Variation from CSPU
				OCR	ADF	Total	
1	2004	Sustainable Livelihoods in Barani Areas Project (Punjab)	SAAE	30.0	30.0	60.0	OCR component deleted; ADF component and total loan amount changed to \$41 million.
2	2004	Agribusiness Development Project	SAAE	95.0	5.0	100.0	Shifted to 2005. OCR component deleted; ADF component and total loan amount changed to \$20 million.
3	2003 (CSP)	FATA Rural Development Project	SAAE	0.0	40.0	40.0	Shifted to 2004. Loan amount increased to \$42 million (ADF)
4	2004	Cleaner Fuel Project	SAEN	50.0	0.0	50.0	Dropped based on response from government.
5	2004	Balochistan Resource Management Program	SAGF	110.0	10.0	120.0	ADF component increased to \$23 million; OCR component reduced to \$100 million; total loan amount increased to \$123 million.
6		Multisector Rehabilitation Project for Azad Jammu and Kashmir	SASS	0.0	57.0	57.0	New loan added for 2004
7	2004	Southern Punjab Basic Urban Services	SASS	45.0	45.0	90.0	Approved in 2003.
8	2004	Punjab Devolved Social Services	SASS	75.0	75.0	150.0	OCR component deleted; total loan amount changed to \$125 million (\$75 million ADF; \$50 million DFID cofinancing).
9	2004	Restructuring of Technical Education and Vocational Training System	SASS	25.0	25.0	50.0	OCR component deleted; ADF component and total loan amount changed to \$27 million.
10	2004	Rawalpindi Environmental Improvement Project	SASS	40.0	40.0	80.0	OCR component reduced to \$20 million; total loan amount changed to \$60 million.
11	2004	NWFP Road Development Sector and Subregional Connectivity	SATC	250.0	0.0	250.0	OCR component increased to \$297 million; ADF component of \$ 5 million added; total loan amount increased to \$302 million.
12		Sector Analysis, Capacity Building, and Project Preparation for Rural Modernization	SAAE	0.0	5.0	5.0	New loan added in 2005.
13	2005	Balochistan Rural Development and Drought Mitigation	SAAE	22.0	48.0	70.0	OCR component deleted; ADF component and total loan amount changed to \$55 million (ADF).

ADF = Asian Development Fund, CSPU = country strategy and program update, CSP = country strategy and program, DFID = Department for International Development of the Government of United Kingdom, FATA = Federally Administered Tribal Areas, NWFP = North-West Frontier Province, OCR = ordinary capital resources, SAAE = South Asia Agriculture, Environment, and Natural Resources Division, SAEN = South Asia Energy Division, SAGF = South Asia Governance, Finance and Trade Division, SASS = South Asia Social Sectors Division, SATC = South Asia Transport and Communications Division

Source: Asian Development Bank.

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S. No	Year (as in CSPU)	Project/Program Name	Responsible Division	Amount (\$million) as in CSPU			Variation from CSPU
				OCR	ADF	Total	
14	2005	Renewable Energy Development	SAEN	195.0	5.0	200.0	OCR component increased to \$200 million; ADF component deleted.
15	2005	Punjab Resource Management Program-Subprogram 2	SAGF	145.0	5.0	150.0	OCR component increased to \$150 million; ADF component deleted.
16	2005	FATA Governance	SAGF	5.0	20.0	25.0	Loan shifted to 2006. OCR component deleted; ADF component increased to \$25 million. TA loan of \$5 million included in 2005.
17	2005	Public Private Infrastructure Financing Facility	SAGF	195.0	5.0	200.0	OCR component deleted; ADF component and total loan amount changed to \$15 million to be supported with guarantee products.
18	2005	Balochistan Devolved Social Services	SASS	23.0	47.0	70.0	OCR component deleted; ADF component and total loan amount changed to \$60 million.
19	2005	Family Protection Project	SASS	10.0	20.0	30.0	Dropped.
20	2005	Sindh Basic Urban Services	SASS	20.0	40.0	60.0	OCR component deleted; ADF component and total loan amount changed to \$50 million.
21		Megacity Renewal and Master Plan/Pilot Projects	SASS	0.0	10.0	10.0	New loan added in 2005
22		Subregional Connectivity and Trade Facilitation I	SATC	273.0	17.0 ^a	290.0	New loan added in 2005
23		Infrastructure Sector Technical Assistance Loan for Sector Analysis, Capacity Building, and Project Preparation		0.0	25.0	25.0	New loan added in 2005
24		Public-Private Partnership Initiative for National Highway Development	SATC	50.0	0.0	50.0	New stand by loan in 2005 (firm in 2006)
25	2006	Water Sector Development	SAAE	165.0	5.0	170.0	OCR component increased to \$170 million; ADF component deleted.
26	2006	Sindh Forestry Sector Development II	SAAE	10.0	20.0	30.0	Dropped.
27	2006	Microfinance Sector Development Program II	SAGF	60.0	40.0	100.0	Loan shifted to 2007. OCR component deleted; ADF component and total loan amount changed to 75 million.

^a From subregional cooperation

S. No	Year (as in CSPU)	Project/Program Name	Responsible Division	Amount (\$million) as in CSPU			Variation from CSPU
				OCR	ADF	Total	
28	2006	Punjab Resource Management Program-Subprogram 3	SAGF	145.0	5.0	150.0	OCR component increased to \$150 million; ADF component deleted.
29	2006	Punjab Local Justice Support Program	SAGF	90.0	60.0	150.0	OCR component deleted.
30	2006	NWFP Devolved Social Services	SASS	35.0	65.0	100.0	OCR component deleted; ADF component and total loan amount changed to 70 million.
31	2006	Social Health Insurance	SASS	15.0	35.0	50.0	OCR component deleted; ADF component and total loan amount changed to 30 million.
32		Mega-city Project I	SASS	115.0	0.0	115.0	New loan added in 2006.
33		District Roads Resource Management I	SATC	90.0	10.0	100.0	New loan added in 2006.