

ASIAN DEVELOPMENT BANK MEMBER FACT SHEET

Afghanistan: 2016 Approved Loans, Grants, and Technical Assistance (\$ million)

Loans		Technical Assistance	Grants	Total
Sovereign	Nonsovereign			
-	-	3.18	547.87	551.05

- = nil.

Note: Grants and technical assistance include ADB-administered cofinancing.

Afghanistan: Cumulative Lending, Grant, and Technical Assistance Approvals^{a, b, c}

Sector	No.	Total Amount (\$ million) ^d	% ^d
Agriculture, Natural Resources, and Rural Development	49	647.71	13.25
Education	2	4.10	0.08
Energy	38	1,611.91	32.99
Finance	5	67.50	1.38
Health	1	3.00	0.06
Industry and Trade	5	8.09	0.17
Public Sector Management	14	73.79	1.51
Transport	43	2,255.89	46.17
Water and Other Urban Infrastructure and Services	2	30.00	0.61
Multisector	3	184.58	3.78
Total	162	4,886.56	100.00

^a Grants and technical assistance include ADB-administered cofinancing.

^b Includes sovereign and nonsovereign loans and technical assistance.

^c Using primary sector in reporting of approvals.

^d Numbers may not sum precisely because of rounding.

Afghanistan: Cumulative Nonsovereign Financing by Product

No. of Transactions	Amount (\$ million)
Loans	135.00
Equity Investments	8.10
Guarantees	25.00
B Loans	30.00
Total	198.10

ADB's assistance to Afghanistan is fully aligned with government priorities in transport, energy, and agriculture and natural resources sectors.

AFGHANISTAN

Afghanistan was a founding member of the Asian Development Bank (ADB) in 1966 and has since been supported by ADB over two periods.

Resuming its partnership with Afghanistan after a hiatus from 1980 to 2001, ADB—in collaboration with other development partners—supports the country's national development strategies and its national priority programs. At the Brussels Conference on Afghanistan in October 2016, the Government of Afghanistan and the international community reaffirmed their partnerships in the medium to long term. The government also presented the Afghanistan National Peace and Development Framework, which will guide the country's development path in the coming years.

Cumulative lending by ADB to Afghanistan totals almost \$817.3 million, and approved grants total \$3.9 billion. ADB assistance is fully aligned with government priorities in transport, energy, and agriculture and natural resources sectors.

Cumulative disbursements to Afghanistan for lending and grants financed by ordinary capital resources, the Asian Development Fund, and other special funds amount to \$1.92 billion.

ADB-SUPPORTED PROJECTS AND PROGRAMS

ADB has provided \$2.2 billion to construct or upgrade over 1,700 kilometers (km) of roads across Afghanistan. This included \$808 million for the Transport Network Development Investment Program, which will finance construction of 570 km of regional and national roads. ADB is also financing the rehabilitation of 232 km of the ring road, as well as supporting a feasibility study and engineering design for the Salang Tunnel, as part of the Central Asia Regional Economic



Cooperation Corridors 5 and 6. ADB has helped rehabilitate four regional airports in Afghanistan, with passenger volumes now more than double pre-upgrade levels. ADB supported the establishment of the Afghanistan Railway Authority and funded the first railway line between Uzbekistan and Afghanistan. The line carries around 3 million tons of freight per year between the two countries.

As the largest on-budget development partner to Afghanistan's energy sector, ADB has helped deliver electricity to more than 5 million people. ADB has provided nearly \$1.2 billion, with an additional \$1 billion planned for 2016–2024, to support energy infrastructure in Afghanistan. These projects include the construction of 1,500 km of power transmission lines, 16 substations, 143,000 new power distribution connections, and 8 gas wells, to strengthen the country's energy supply chain. ADB technical assistance provides policy and analytical support through the Inter-ministerial Commission for Energy, Renewable Energy Roadmap, Gas Sector Development Master Plan, and Power Sector Master Plan. ADB is also contributing to policy dialogue and donor coordination on energy, including the financing of master plans for the power and gas subsectors. Key regional

projects for Afghanistan are being supported under the Central Asia–South Asia Regional Electricity Markets, including a Turkmenistan–Afghanistan–Pakistan–India gas pipeline and a Turkmenistan–Uzbekistan–Tajikistan–Afghanistan–Pakistan electricity transmission.

To increase agricultural productivity, raise farm incomes, and reduce postharvest losses, ADB has provided \$578 million for irrigation and agricultural infrastructure. About 160,000 hectares of irrigated land have been rehabilitated and upgraded, with work continuing on an additional 260,000 hectares.

ADB assistance has improved fiscal management in Afghanistan. Policy, institutional, and capacity-building reforms have strengthened budget protocols, improved public investment programming, and mobilized revenue. Administrative procedures in the civil service and provincial government have also been revised, with greater transparency and accountability in the public sector.

NONSOVEREIGN OPERATIONS

As a catalyst for private investments, ADB provides direct financial assistance to nonsovereign public sector and

private sector transactions in the form of direct loans, equity investments, guarantees, B loans, and trade finance. Since its inception, ADB has approved \$198.1 million in financing for six private sector transactions in Afghanistan.

COFINANCING

Cofinancing operations enable ADB's financing partners, governments or their agencies, multilateral financing institutions, and commercial organizations to participate in financing ADB projects. Additional funds are provided in the form of official loans and grants, technical assistance, other concessional financing, and commercial cofinancing such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under ADB's Trade Finance Program.

From 1970 to the end of 2016, cumulative direct value-added official cofinancing for Afghanistan amounted to \$903.1 million for 27 investment projects and \$26.4 million for 17 technical assistance projects. Cumulative direct value-added commercial cofinancing for Afghanistan amounted to \$15 million for one investment project.

In 2016, Afghanistan received \$292.7 million grant cofinancing from

Afghanistan: Project Success Rates

Year	Success Rate (%)	No. of Independently Evaluated Projects and Programs
2010	66.7	3
2011	100.0	1
2012	0.0	3
2013	0.0	1
Total	37.5	8

Note: "Year" refers to the circulation year of the project completion report (PCR). The success rates reported here are based on the ratings from validated PCRs and independently evaluated performance evaluation reports only and do not include self-evaluations. With small sample size, the success rate does not necessarily represent country operations performance.

Source: PCR validation reports and project/program performance evaluation reports ratings database as of 31 December 2016.

Afghanistan: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2015–2016

	2015 (\$ million)		2016 (\$ million)	
	2015 (\$ million)	2016 (\$ million)	2015 (\$ million)	2016 (\$ million)
No. of Ongoing Loans (as of 31 Dec 2016)			2	
Contract Awards/Commitments ^{a,b}	–	0.00		
Disbursements ^a	4.04	9.19		
No. of Ongoing Grants (as of 31 Dec 2016)			23	
Contract Awards/Commitments ^{a,b}	150.94	403.50		
Disbursements ^{a,c}	113.05	175.38		
Actual Problem Projects (%) (as of 31 Dec 2016)			8	

– = nil, 0.0 = less than \$50,000.

^a Includes closed loans/grants that had contract awards or disbursements during the year.

^b Excludes policy-based lending/grants.

^c Includes only Asian Development Fund and other ADB special funds.

Afghanistan: Projects Cofinanced, 1 January 2012–31 December 2016

Cofinancing	No. of Projects	Amount (\$ million)
Projects ^a	13	679.85
Grants	13	679.85
Technical Assistance Grants	7	15.23

^a A project with more than one source of cofinancing is counted once.

Afghanistan: Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects

Item	2015		2016		Cumulative (as of 31 Dec 2016)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	70.37	0.63	144.47	1.27	835.92	0.53
Consulting Services	1.62	0.25	6.18	1.01	17.62	0.16
Total Procurement	71.99	0.61	150.64	1.25	853.54	0.50

Top 5 Contractors/Suppliers from Afghanistan Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2012–31 December 2016

Contractor/Supplier	Sector	Contract Amount (\$ million)
Rauf Aziz Construction and Supply Co.	TRA	132.56
MAB-HKCC (JV)	TRA	52.20
Afghan Sadaqat Road and Building Construction Co.	ANR	20.43
Irrigation System Development	ANR	16.01
National Gold Construction Co.	ANR	8.59
Others		110.23
Total		340.01

ANR = agriculture, natural resources, and rural development; TRA = transport.

Top 5 Consultants from Afghanistan Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2012–31 December 2016

Consultant	Sector	Contract Amount (\$ million)
Mashriq Engineering Construction Co.	TRA	3.36
Afghan Bureau Collaboration Office	TRA	0.22
Alliot Gulf Limited	ANR, TRA	0.17
Zeeshan Ali & Co.	ANR	0.11
Empowerment Center for Women	PSM	0.10
Individual Consultants		6.03
Others		0.04
Total		10.03

ANR = agriculture, natural resources, and rural development; PSM = public sector management; TRA = transport.

the [Afghanistan Infrastructure Trust Fund](#), the Government of the People's Republic of China, and the European Union for three investment projects.

A summary of projects with cofinancing from 1 January 2012 to 31 December 2016 is available at www.adb.org/countries/afghanistan/cofinancing

PARTNERSHIPS

ADB is one of the largest development partners to the Government of Afghanistan. ADB further assists Afghanistan by fostering relationships with other development partners such as the United States Agency for International Development, the Department for International Development of the United Kingdom, the World Bank, the International Monetary Fund, and the Government of Japan.

ADB facilitates cooperation with nongovernment organizations to implement grant investment projects financed through the [Japan Fund for Poverty Reduction](#). These projects include the introduction of community development councils (implemented by the Ministry of Rural Rehabilitation and Development) and the Japan Fund for Poverty Reduction project to promote farmers' cooperative associations (implemented by the Ministry of Agriculture, Irrigation, and Livestock).

ADB also cooperates with the private sector and civil society organizations within Afghanistan to strengthen the effectiveness, quality, and sustainability of the assistance it provides.

PROCUREMENT

Each year, ADB provides loans, grants, and technical assistance to fund projects and activities in its developing member countries; and several billion dollars in contracts to procure goods, works, and consulting services. Most contracts are awarded on the basis of international competition, which is open to firms and individuals from any ADB member, regional or nonregional.

Share of ADB's Procurement Contracts

Goods, Works, and Related Services

ADB's procurement contracts in Asia and the Pacific for goods, works, and related services under loan and grant operations totaled \$11.09 billion in 2015 and \$11.42 billion in 2016. Cumulative procurement since 1966 was \$158.68 billion covering 206,915 contracts.

In Afghanistan, 1,265 contracts worth \$835.92 million were awarded to contractors and suppliers within the same period.

Consulting Services

ADB's procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations totaled \$655.31 million in 2015 and \$612.46 million in 2016. Cumulative procurement since 1966 was \$11.26 billion covering 52,232 contracts.

In Afghanistan, 239 contracts worth \$17.62 million were awarded to consultants within the same period.

OPERATIONAL CHALLENGES

Afghanistan's recent history has presented the country with several daunting challenges to its development progress. Military conflicts and regional disputes have seen instability in national security, political uncertainty, disjointed governance, and fragility in the rule of law.

Afghanistan must explore avenues to expand capacity in a large informal economy and to rein in drug trafficking. The government is also confronted by the need to reform policy and institutional frameworks, improve transparency and accountability, and achieve greater operational efficiencies.

These challenges have led to weak governance and performance in the public sector, making project implementation more difficult, and increasing the costs of ADB development projects.

FUTURE DIRECTIONS

ADB assistance to Afghanistan is aligned with the Afghanistan National Peace and Development Framework and national priority programs focusing on infrastructure. ADB will work to maintain this alignment in its [country partnership strategy](#) being developed in 2017. Future assistance will continue to focus on the country's energy, transport, agriculture, natural resources, and governance. This support will include capacity and institutional development, as well as sector reform.

Emphasis will be placed on project implementation. ADB and the government are committed to strengthening performance in project delivery, contract awards, and disbursements. They have developed

an approach that considers the fragile and conflict affected situations in Afghanistan.

ADB will continue to support public financial management, procurement,

and anticorruption, in line with the Second Governance and Anticorruption Action Plan and the government's Standardized Monitoring and Assessment of Relief and Transitions (SMART) indicators.



ABOUT AFGHANISTAN AND ADB

ADB Membership

Joined 1966

Shareholding and Voting Power

Number of shares held:	3,585 (0.034% of total shares)
Votes:	43,192 (0.326% of total membership, 0.500% of total regional membership)
Overall capital subscription:	\$48.19 million
Paid-in capital subscription:	\$6.43 million

Kshatrapati Shivaji is the Director and **Mahbub Ahmed** is the Alternate Director representing Afghanistan on the ADB Board of Directors.

Thomas Panella is the ADB Country Director for Afghanistan. The Afghanistan Resident Mission was opened in 2003 and provides the primary operational link for activities between ADB and the government, the private sector, civil society stakeholders, and development partners. The resident mission engages in policy dialogue, country partnership strategy development and programming, and portfolio management, while also acting as a knowledge base on development issues in Afghanistan.

The Afghanistan government agency handling ADB affairs is the Ministry of Finance.

ABOUT THE ASIAN DEVELOPMENT BANK

ADB is a multilateral development bank owned by 67 members, 48 from the region and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance. In 2016, lending volume was \$16.35 billion (126 projects), with technical assistance at \$169.03 million (225 projects) and grant-financed projects at \$526.75 million (31 projects). In addition, \$14.06 billion was generated in direct value-added cofinancing in the form of official loans and grants, other concessional cofinancing, and commercial cofinancing such as B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB's Trade Finance Program. From 1 January 2012 to 31 December 2016, ADB's annual lending volume averaged \$13.74 billion. In addition, investment grants and technical assistance funded by ADB and special funds resources averaged \$562.24 million and \$154.91 million in technical assistance over the same period. As of 31 December 2016, the cumulative totals excluding cofinancing were \$247.28 billion in loans for 2,935 projects in 44 countries, \$7.75 billion in 296 grants, and \$4.06 billion in technical assistance grants, including regional technical assistance grants.

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Useful ADB websites

Asian Development Bank
www.adb.org

Asian Development Outlook
www.adb.org/publications/series/asian-development-outlook

Annual Report
www.adb.org/documents/series/adb-annual-reports

To access a complete list of development and economic indicators, visit:

Statistics and Databases
www.adb.org/data/statistics