



# YEAR BOOK

## 2022-23



**GOVERNMENT OF PAKISTAN  
ECONOMIC AFFAIRS DIVISION  
ISLAMABAD**



# YEAR BOOK 2022-23

**GOVERNMENT OF PAKISTAN  
MINISTRY OF ECONOMIC AFFAIRS  
(ECONOMIC AFFAIRS DIVISION)  
ISLAMABAD**

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## Foreword



It gives me great pleasure to present the Year Book 2022-23 of Economic Affairs Division, which has been prepared in pursuance of sub rule [2], Rule 25 of the Rules of Business, 1973. This publication not only chronicles our collective achievements but also serves as a testament to the collaborative spirit that has defined our engagements with international development partners, and sources of external economic assistance

Under the Rules of Business, EAD is responsible for assessment of requirements, programming and negotiations of external economic assistance related to the Government of Pakistan and its constituent units from foreign governments and multilateral agencies. Thus, EAD has the prime responsibility of mobilizing foreign funding for the development of the economy, in an efficient and effective manner.

In an era where interconnectedness shapes the global economic landscape, the partnerships we have cultivated stand as pillars of strength in our pursuit of sustainable economic development. This yearbook captures the essence of our collaborations, highlighting key areas where our synergies have borne fruit and collectively contributed to positive change. I extend my sincere appreciation to our development partners for their unwavering support. Their commitment to our shared goals has been instrumental in driving transformative change and fostering economic resilience. The stories contained within these pages are a reflection of the tangible outcomes of our collaborative efforts.

In conclusion, this Year Book will give the readers an insight into the working, functions and performance of EAD during the year 2022-23 covering diverse sectors of development through economic assistance from various development partners, including the World Bank, Asian Development Bank (ADB), Japan, United Nations, China and the Paris Club countries.

I hope that this document (also available on EAD's website) will be informative and useful for its readers.

**(Dr. KAZIM NIAZ)**  
**Secretary**

Islamabad, , 2024

## Acronyms

ADB	Asian Development Bank	ITFC	International Islamic Trade Finance Corporation
AFD	French Development Agency	JWG	Joint Working Group
AJK	Azad Jammu & Kashmir	JICA	Japan International Cooperation Agency
APCC	Annual Plan Coordination Committee	JC	Joint Commission
BISP	Benazir Income Support Program	JEC	Joint Economic Committee/Commission
BMZ	Federal Ministry for Economic Cooperation and Development (BMZ)	JMC	Joint Ministerial Commissions
BTASP	Billion Tree Afforestation Support Programme	KKH	Karakoram Highway
CARs	Central Asian Republics	MDGs	Millennium Development Goals
CPEC	China-Pakistan Economic Corridor	MIGA	Multilateral Investment Guarantee Agency
CPS	Country Partnership Strategy	MSPKP	Municipal Services Program Khyber Pakhtunkhwa
DM	Debt Management	MOFCOM	Ministry of Finance and Commerce, China
DMFAS	Debt Management and Financial Analysis System	MOU	Memorandum of Understanding
DPA	Development Partnership Arrangement	MFF	Multi-tranche Financing Facility
EAD	Economic Affairs Division	NEC	National Economic Council
EC	Economic Cooperation	NGOs	Non-Government Organizations
ECNEC	Executive Committee of the National Economic Council	ODA	Official Development Assistance
EDCF	Economic Development Cooperation Fund	OPEC	Organization of the Petroleum Exporting Countries
ERRA	Earthquake Reconstruction & Rehabilitation Authority	OCR	Ordinary Capital Resources
ETI	Economic Transformation Initiatives	PC	Paris Club
FATA	Federally Administered Tribal Areas	PDF	Pakistan Development Forum
FCDO	Foreign, Commonwealth & Development Office	PEPA	Pakistan Enhanced Partnership Agreement
GoP	Government of Pakistan	PIL	Projects Implementation Letter
G2G	Government to Government	PPAF	Pakistan Poverty Alleviation Fund
IBRD	International Bank for Reconstruction and	PRMI	Pakistan Regulatory Modernization Initiative

	Development		
INGOs	International Non-Government Organizations	PTAP	Pakistan Technical Assistance Programme
IDA	International Development Assistance	RMB	Ren Min Bi
ICR	Institute of Cancer Research	SFD	Saudi Fund for Development
ICSID	International Centre for Settlement of Investment Disputes	SOGA	Strategic Objective Grant Agreement
IsDB	Islamic Development Bank	TDPs	Temporarily Displaced Persons
IFAD	International Fund for Agriculture Development	TEVTA	Technical Education and Vocational Training Authority
IFC	International Finance Corporation	UNHCR	United Nations High Commissioner for Refugees
IGC	Inter-Governmental Commission	USAID	United States Agency for International Development
INL-P	International Narcotics and Law Enforcement-Pakistan	WFP	World Food Programme

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## **FUNCTIONS OF ECONOMIC AFFAIRS DIVISION**

Economic Affairs Division (EAD) is the lead Division for mobilization of external financial resources from bilateral and multilateral development partners; promotion of economic relations with partner countries; management of public and publicly guaranteed external debt; provision of technical assistance to friendly countries and signing of MoUs with local NGOs seeking foreign funding. The organogram of EAD is at **(Annex-I)**.

### **Main Objectives of the Ministry:**

- i. Assessment of requirements; programming and negotiations for external economic assistance from foreign Governments and organizations.
- ii. Matters relating to IBRD, IDA, IFC, ADB and IFAD.
- iii. Economic matters pertaining to the Economic and Social Council of the United Nations, Governing Council of UNDP, ESCAP (Economic and Social Commission for Asia and Pacific), Colombo Plan and OECD (DAC).
- iv. Negotiations and coordination activities, etc., pertaining to economic cooperation with other countries (excluding RCD and IPECC).
- v. Assessment of requirements, programming and negotiation for securing technical assistance to Pakistan from foreign Governments organizations including nominations for EDI Courses.
- vi. External debt management, including authorization of remittances for all external debt service, compilation and accounting and analysis of economic assistance from all foreign governments and organizations.
- vii. Review and appraisal of international and regional economic trends and their impact on the national economy. Proposals concerning changes in International Economic Order.
- viii. Matters relating to transfer of technology under UNDP assistance.
- ix. Matters relating to International Islamic Development Bank.

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# BILATERAL DEVELOPMENT PARTNERS

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## CHINA

Pakistan and China established diplomatic relations on 21<sup>st</sup> May, 1951. This relationship has built on the strength of its successive achievements, and has become formidable with each passing day. The leadership of both countries is committed to taking this relationship forward. China Wing processes, negotiates and arranges foreign economic assistance with China on favorable terms for the Government of Pakistan.

The following are the main activities of China Wing:

- **Pak-China Joint Economic Committee (JEC)** is an important bilateral high-level ministerial forum led by Economic Affairs Division and the Chinese Ministry of Commerce (MOFCOM). The Committee was established in October 1982 with the purpose to review progress on bilateral protocols and agreements and explore possibilities of further strengthening development cooperation between the two sides. So far, 15 sessions of the JEC have taken place. The 15<sup>th</sup> session of JEC was held in December, 2021 after a gap of 11 years.
- During **15<sup>th</sup> session of JEC**, an MoU was signed between Ministry of Commerce of the People's Republic of China and Ministry of Economic Affairs of Pakistan for establishment of Xinjiang-Pakistan Economic and Trade Cooperation Working Group. **The first meeting of the JWG was held on 18.07.2022.**
- China provides economic assistance to Pakistan under loans, grants and technical cooperation in the shape of trainings to Government officers. China is also providing assistance to Pakistan under the China-Pakistan Economic Corridor (CPEC). This Division is involved in important CPEC projects like Karakoram Highway (KKH) Phase-II (Thakot-Havellian), Peshawar Karachi Motorway, Orange Line Project, Construction of East Bay Expressway, New Gwadar International Airport Project, Gwadar Smart City Port Master Plan. 03 Loan projects are ongoing with total loan assistance amounting to USD 5,830.93 M. (**Annex-II**). There are 8 ongoing grant projects worth **USD 421.085 million (Annex-III)**
- During the FY 2022-23, Framework Agreement of Pakistan Space Center Project worth USD 145 Million was signed on 02.11.2022

- MOU on Post Disaster Reconstruction worth RMB 800 Million, Handing Over Certificate (HOC) of Emergency relief items worth RMB 100 Million and HoC of Gwadar Eastbay Project, were signed on 02.11.2022
- Letter of Exchange of Drinking Water Supply Equipment worth RMB 36.5 Million was also signed on 02.11.2022
- In year 2022-23 Chinese offered 186 Bilateral & Multilateral Trainings / Seminars and 37 Master and 01 Ph D programs.

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## JAPAN

The Government of Japan has been providing Official Development Assistance (ODA) to Pakistan, mostly for basic economic and social infrastructure projects. Over last six decades the Government of Japan also provides technical cooperation which involves transfer of knowledge and technology required for administrators, technicians, and researchers.

### Grants:

During the Fiscal Year (FY) 2022-23, Government of Japan has provided economic assistance in the shape of grants **amounting to USD 24.47 million (Approx.)**. In this regard, Economic Affairs Division (EAD) successfully negotiated and signed following projects with Government of Japan for grant assistance: -

**Table 1: Negotiated & Signed Projects**

<b>Projects Name</b>	<b>Signing Date</b>	<b>Amount in JPY million</b>	<b>Amount in USD million</b>
Project for Upgrading Sewerage and Drainage Services in Multan ( <b>Grant</b> )	03.08.2022	1,236	9.1
Project for Upgrading Primary Girls School into Elementary Schools in Rural Areas of Sindh ( <b>Grant</b> )	10.02.2023	1,686	12.8
Project for Improvement of Equipment for Exhibition and Conservation of the Taxila Museum ( <b>Grant</b> )	10.02.2023	48.8	0.37
Project for Human Resource Development Scholarship ( <b>Grant</b> )	22.06.2023	315	2.2
<b>Total</b>		<b>3285.8</b>	<b>24.47</b>

### Technical Assistance:

The Economic Affairs Division (EAD) requested various Ministries/Divisions/Provincial Departments during 2022-23 to provide proposals for provision of Technical Assistance by the Government of Japan. After thorough scrutinization, the project proposals were submitted for consideration under Technical Cooperation for the FY 2023. In response, Japanese side has approved the following 04 projects:

- The Project for Small Holders Horticulture Farmers Empowerment Program (SHEP) in Province of Sindh.
- Building Rainfed Communities Resilience through Skills in Climate and Smart Agriculture.
- The Project for Strengthening Business Collaboration of ICT Industry in Pakistan.
- Education Policy Advisor.

## **Other Assistance:**

- **Trainings/Scholarship Programs for Capacity Building**

The Government of Japan offers scholarships for Doctoral and Master Degree programs to the eligible government officials to play leadership roles in contributing to socio-economic development of the country. EAD has circulated and processed around 60 Training Programs/scholarships and finalized around 80 government servants/civil servants for these trainings.

- **Policy Dialogue with JICA**

JICA and EAD held a policy dialogue in March 2023 to discuss priority areas for cooperation and finalized the timeline for technical assistance projects.

- **Portfolio Review Meetings**

A number of portfolio review meetings to discuss issues and bottlenecks faced by the JICA funded projects have been held during the year 2022-23. The meetings have contributed in resolution of outstanding issues faced in the implementation of projects.

## **PARIS CLUB (PC)**

Member countries of the Paris Club are historic development partners of Pakistan. Pakistan established diplomatic relations with these countries decades ago. They are important bilateral development partners with a substantial assistance portfolio in the social and economic sectors. Details of social and economic assistance provided by Paris Club are as under:

### **A. UNITED KINGDOM (UK)**

The UK has a sizable development assistance programme in Pakistan. UK provides grant assistance to Pakistan for Education, Health, Nutrition, Poverty Reduction, Stability & Growth, Humanitarian, Financial Inclusion and Skill Development, assistance for Benazir Income Support Program (BISP), Pakistan Poverty Alleviation Fund (PPAF) and State Bank of Pakistan (SBP).

#### **Instruments of Cooperation**

The basis of the relationship with the UK is the MoU signed in 1992 between the Governments of Pakistan and United Kingdom. Pakistan and UK entered into a long-term development assistance relationship in 2006 through the 10-year Development Partnership Arrangement (DPA). DPA reaffirmed the partnership between the two sides and laid down a joint vision to:

- Reduce poverty and achieve Millennium Development Goals. (MDGs)
- Strengthen financial management and accountability;
- Respect international human rights obligations; and,
- Improve coordination between donors;

#### **UK's Development Activities in Pakistan during 2022-23:**

The following UK funded grant projects have been acknowledged/ signed by EAD during 2022-2023:

- Concurrence on FCDO-UK's AAWAAZ-II Programme on 13<sup>th</sup> July, 2022.
- Concurrence on FCDO-UK's Building Resilience and Vulnerability to Emergencies in Pakistan Programme (BRAVE) on 19<sup>th</sup> July, 2022.
- Amendment No.5 of Punjab Education Sector Programme (PESP-II) £ 5.4 million was added to the Programme on 19<sup>th</sup> July, 2022.
- Concurrence on FCDO-UK's Evidence for Health (E4H) Programme on 8<sup>th</sup> September, 2022.

- Concurrence on FCDO-UK's Data and Research in Education (DARE) Programme on 22<sup>nd</sup> November 2022.
- Concurrence on FCDO-UK's Girls and Out of School Children Action for Learning (GOAL) Programme in Pakistan on 14<sup>th</sup> June, 2023.

### **Future Areas of Cooperation**

Future areas of cooperation between the two countries include Macroeconomic Stability, Improved Conditions for High and Sustained Growth; Job Creation and Poverty Reduction and climate finance.

### **B. ITALY**

Republic of Italy has a long-term development assistance programme in Pakistan. Italy has provided assistance to Pakistan in the priority areas i.e. Poverty Reduction and Rural Development, Technical and Vocational Training, Health, Education, Agriculture, Microfinance and Environment etc. Currently, Italy has eight on-going on-budget projects and three pipeline projects.

### **Instruments of Cooperation**

The basis of relationship with the Republic of Italy is the agreement signed in June 2001, on consolidation of Pakistan's debt. Governments of Pakistan and Italy signed a Joint Declaration on 14<sup>th</sup> July, 2005, for expansion of bilateral co-operation in the economic and commercial fields.

### **Main Development Activities During 2022-23:**

- Concurrence on Olive Culture on 16<sup>th</sup> June, 2022.
- Revised PC-I of PIDSA was approved by Planning Commission restarting the program after 3 years on 29<sup>th</sup> June, 2022.
- PIDSA debt has been cancelled up to **91%** (amount Rs.7.3 Billion) and the Government of Italy has confirmed debt cancellation on 12<sup>th</sup> September, 2022.
- First instalment worth €5 Million of the ETI-GB project financed by AICS has been disbursed on 25<sup>th</sup> January 2023.
- Concurrence on Radio Education Promotion of learning through Radio in Isolated Areas of Pakistan on 14<sup>th</sup> February 2023.
- Signing Ceremony of Benazir Nashonuma Programme through Pakistan Italian Debt Swap Agreement PIDSA on 4<sup>th</sup> April, 2023.

- Inter-Ministerial Meeting on Pak-Italy Joint Economic Commission on 18<sup>th</sup> April 2023.
- 5<sup>th</sup> Session of Pak-Italy Joint Economic Commission (JEC) in Rome, Italy on 29<sup>th</sup> May, 2023.
- Signing Ceremony of Extension of Pakistan Italian Debt Swap Agreement (PIDSA) Project on 6<sup>th</sup> July, 2023.

### **C. SWITZERLAND**

The relationship between Pakistan and Switzerland is based on agreement signed in 1966 on Technical & Scientific Cooperation. Switzerland provided assistance for poverty alleviation; empowering people by improving good governance and livelihoods; and supporting disadvantaged population groups. Thirteen (13) sessions of Pak Switzerland Annual Bilateral Consultation were held in Pakistan and last session was held in 22-02-2018. SDC phased out its development program from Pakistan in 2019.

### **D. SPAIN**

Development Cooperation with Spain is currently at dormant stages and efforts are being made to reinvigorate cooperation between the two countries.

### **E. GERMANY**

Pakistan has been a recipient of German Development Assistance since the founding of German Federal Ministry for Economic Cooperation and Development (BMZ) in 1961. The total development assistance encompassing both technical and financial cooperation since 1961 amounts to approximately € 4.012 billion. The volume of development assistance and priority areas are identified through biennial Negotiations between BMZ and Ministry of Economic Affairs, held alternately in Berlin and Islamabad. The focus of development cooperation has largely been on KP, FATA, Punjab and G.B. Projects in other areas in the past pertain to Strengthening Civil Law Enforcement in Sindh, Rehabilitation of Vocational Training Centers in Quetta, Baluchistan Water Supply, Water and Sanitation Extension Program in Gilgit-Baltistan etc.

Assistance is focused in the following sectors:

- i. Good governance
- ii. Renewable energy and energy efficiency
- iii. Basic education/vocational training

- iv. Health
- v. Sustainable Economic Development
- vi. Local Governance

The German government stands committed to remain engaged in cross-cutting issues such as gender equality, human rights, corruption and climate change. **The Development cooperation focuses on support for renewables and climate action, as well as business (including vocational training) and good governance (including healthcare).**

It also plans to continue support to multilateral organizations, German political foundations, NGOs and private-sector organizations working in these areas.

**The German Government is also very keen to see democratic and sustainable development in Pakistan and has a great interest in the country playing a constructive role in the region.**

### **Instrument of Cooperation**

Bilateral Agreement on Technical Cooperation between Pakistan and Federal Republic of Germany, signed in 1972, forms the basis of bilateral cooperation.

### **Overview of Portfolio**

The current portfolio includes 25 Financial Cooperation (FC) projects with total commitments of € 477.34 m and 10 Technical Cooperation (TC) projects with total commitments of € 95.271 m. Technical Cooperation Agreement – 2023 (Euro 45 m Grant) is expected to be signed soon.

### **Government to Government (G2G) Consultations and Negotiations**

There are two forums of bilateral coordination on development portfolio between Germany and Pakistan i.e. G2G Consultations and once in two years G2G Negotiations. Consultations were held on 17<sup>th</sup> October, 2022 in Pakistan. In these consultations, ongoing portfolio was reviewed and discussions were held on the pipeline projects. The last negotiations on development cooperation were held in Berlin on May 8-9, 2023. These are held as a preparatory measure to discuss future areas of cooperation, new ideas and proposals.

### **Pakistan - Germany Financing Agreements**

In 2022-23, Pakistan and Germany signed following Financial Agreements:

- i. Regional Infrastructure Fund (Phase-II) signed in August, 2022 (Euro 17.5 m Grant)
- ii. Social Health Protection-III signed in October, 2022 (Euro 7.5 m Grant)
- iii. 500-132 KV Chakwal Substation signed in December, 2022 (Euro 43.76 m Loan)



- iv. Support to Dislocated People in Pakistan signed in December, 2022 (Euro 25 m Grant)
- v. NTDC Accompanying measures to the Programme “Promotion of Renewable Energies and Energy Efficiency” signed in December, 2022 (Euro 2.4 m Grant)
- vi. Renewable Energy Hubs: Strengthening TVET Infrastructure in Pakistan signed in December, 2022 (Euro 9.8 m Grant)
- vii. Social Protection and Climate Resilience, signed in May, 2023 (Euro 27 m Grant).

#### **F. BELGIUM**

Cooperation with Belgium is currently in dormant stages. However, efforts are being made to reinvigorate cooperation between the two countries.

#### **G. FRANCE**

France, as a member of Aid to Pakistan Consortium, has been extending development assistance to Pakistan since 1961. The bilateral economic cooperation revived with the 2008 meeting of Friends of Democratic Pakistan. Cooperation with France is taking place under the “Joint Declaration on Economic and Commercial Partnership” signed in May 2011 between the Governments of Pakistan and France.

France carries out its development activities mostly through the French Development Agency (AFD). AFD is a public financial institution that implements the policy defined by the French government, and was founded in 1998. Government of Pakistan granted permission to establish their office in Pakistan on 02.12.2008.

#### **Overview of the Portfolio**

An overview of AFD portfolio is as under: -

**Table 2: AFD portfolio**

<b>S. No.</b>	<b>Portfolio</b>	<b>Number of Projects</b>	<b>Amount (Euro in M)</b>
i.	Ongoing projects	16	933.81
ii.	Projects in Pipeline	01	30
	<b>Total</b>	<b>17</b>	<b>963.81</b>

AFD has been involved in development activities in Pakistan since 2007. In 2022-23, the total portfolio of AFD funded projects amounted to Euro 963.81 million (as soft loan amount € 958.51 m and grant amount € 5.3 m), out of which € 933.81 m is reserved for ongoing and € 30 million is for project in the pipeline. There are a total of seventeen (17) projects (16 ongoing and 1 pipeline project).

- The total disbursement under the AFD portfolio in 2022-2023 stood at Euro 210.852 million mainly in **energy, power and infrastructure** sectors.

### **Instruments of Cooperation**

Pakistan and France have upgraded the Administrative Economic and Trade Committee (AETC) to the level of the Joint Economic Commission (JEC).

### **Future Areas of Cooperation**

Potential areas for cooperation in future are the renewable Energy, Energy Efficiency, Urban Mobility and Sanitation sectors.

## **H. RUSSIA**

Cooperation with Russia is taking place under the “Agreement between Pakistan and Russia on Trade and Economic Cooperation” signed in April 1999. Pakistan and Russia reviewed their bilateral development and trade cooperation and agreed to establish an Inter-Governmental Commission (IGC) on Trade, Economic, Scientific and Technical Cooperation in March, 2000.

### **Instruments of Cooperation**

- 8<sup>th</sup> Session of Pak-Russia Inter Governmental Commission (IGC) was held on 18-20<sup>th</sup> January, 2023 in Islamabad, Pakistan.
- 9<sup>th</sup> Session of Pak-Russia Inter Governmental Commission (IGC) is expected to be held in Russia in 2024.

### **Future Areas of Cooperation**

Potential areas for cooperation in future are Defense, Energy, Industries & Production, Trade & Investment, Transport & Logistics, Cyber Security, and Education & Professional Training.

## **I. NORWAY**

Norway Joined Pakistan Development Forum (PDF) in 1969, formally known as Aid to Pakistan Consortium, and since then, has been providing assistance to Pakistan, mostly through off budget funding.

### **Overview of the Portfolio**

Earlier, Pakistan and Norway worked together in the areas of Energy, Education, Environment, Telecommunication Sector and Human Rights. Now, Norwegian Government provides assistance to GoP in areas of basic education and capacity building only.

#### **Type of Non-Government Assistance:**

Norwegian Government provides grant assistance which is completely off-budget, and disbursed through INGO's and UN agencies.

The Government of Pakistan, through Economic Affairs Division, signed a Grant Agreement, with total worth of NOK 217.6 million with the Government of Norway during the period 2003 to 2012 in areas as education and governance.

#### **Future Areas of Cooperation**

Norway possesses good expertise in the hydropower sector and can extend cooperation to Pakistan.

#### **J. DENMARK**

Development Cooperation with Danish Government is being reviewed. A Framework Agreement between two countries was signed on August 10, 2022. Through the framework agreement, Denmark/Danish International Development Agency (DANIDA) has offered Danida Sustainable Infrastructure (DSIF), a new project financing facility to Pakistan, for providing assistance in water supply, sanitation & renewable energy sectors.

#### **K. AUSTRIA, NETHERLANDS AND SWEDEN**

Development Cooperation with Austria, Netherlands and Sweden is in dormant stages. However, efforts are being made to reinvigorate cooperation between the two countries

#### **L. AUSTRALIA**

During 2022-23, Economic Affairs Division has signed amendment to the Australian project titled **Developing Competitive and inclusive value chains of Pulses in Pakistan** with the additional cost of AUD 1.42 million, for the year 2023-24. This is technical assistance from Australian High Commission, with no government funding is involved. Furthermore, this project is being implemented under Australian Centre for International Agricultural Research (ACIAR), main agency for Australia's cooperation with Pakistan in the field of agriculture.

#### M. CANADA (High Commission of Canada)

- Government of Canada has been providing **assistance for various development projects outside government's channel** through Local/International Non-Governmental Organizations (INGOs), United Nations, the World Bank and local governments in the field of Sustainable Economic Growth, Basic Education, Gender Equality, Democratic Accountability and HIV/AIDS.
- **Global Affairs, Canada (GAC)** is carrying out **fourteen (14) bilateral projects** amounting to **CA\$ 121.3** million in which **CA\$99.2** million has been disbursed.
- During 2022-23, Canadian Government has also provided CA\$ 33 million flood Assistance through various international organizations i.e WFP, ICR, and UNHCR.

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## **UNITED STATE OF AMERICA (USA)**

The United States of America (USA) is providing economic assistance, principally through Economic Support Fund (ESF) for social sector development in Pakistan. ESF has been managed through different bilateral instruments signed with USA. These include the Strategic Objective Grant Agreement (SOGA) 2001, Pakistan Enhanced Partnership Agreement (PEPA) 2010, Unilateral (Cash transfers to BISP, ERRA, Citizen Damage Compensation Program etc. and International Narcotics and Law Enforcement – Pakistan 1982 (INL-P). US wing deals with USAID, INL-P, Canada, and Australia.

### **USA –USAID**

The US Government has been providing economic assistance in different sectors like energy, economic growth, resilience, education, health and Narcotic Control. Key achievement during 2022-23 include:

- Amendment No. 6 to the Amended and Restated Activity Agreement # 391-014 for the Khyber Pakhtunkhwa Reconstruction Program signed on 15th September, 2022.
- Amendment No. 1 to the Implementation Letter (IL) 38 under the Amended and Restated Activity Agreement # 391-014 for the Khyber Pakhtunkhwa Reconstruction Program signed on 15th September, 2022.
- Close-Out of Project Implementation Letter No. 18-A2 under the Amended and Restated Activity Agreement # 391-014 for the Khyber Pakhtunkhwa Reconstruction Program signed on 15th September, 2022.
- Close-Out of Project Implementation Letter No. 25 under the Amended and Restated Activity Agreement # 391-014 for the Khyber Pakhtunkhwa Reconstruction Program signed on 15th September, 2022.
- Amendment No. 9 to the amended and restated activity agreement for the Municipal Services Program Khyber Pakhtunkhwa (MSP-KP) signed on 15th September, 2022.
- Close-Out of Project Implementation Letter (PIL) 10 under Municipal Services Program Khyber Pakhtunkhwa (MSP-KP) signed on 15<sup>th</sup> September, 2022.
- Close-Out of Project Implementation Letter (PIL) 17 under Municipal Services Program Khyber Pakhtunkhwa (MSP-KP) signed on 15<sup>th</sup> September, 2022.
- Amendment Number 04, Activity Agreement for the Tarbela Dam Repair and Maintenance Phase-II Project. Signed on 13<sup>th</sup> September, 2022.
- Close-Out of Project Implementation Letter No. 34 under the Amended and Restated Activity Agreement # 391-014 for the Khyber Pakhtunkhwa Reconstruction Program signed on 1<sup>st</sup> November, 2022.

- Close-Out of Project Implementation Letter No. 39 under the Amended and Restated Activity Agreement # 391-014 for the Khyber Pakhtunkhwa Reconstruction Program signed on 1<sup>st</sup> November, 2022.
- Amendment of Project Implementation Letter (PIL) No. 32 for the FATA Infrastructure Program (FIP) signed on 18<sup>th</sup> November, 2022.
- Amendment No. 4 to the Activity Agreement and Amendment No. 2 to the Project Implementation Letter 2 for the Mangla Dam Repair and Maintenance Phase-II Project signed on 20<sup>th</sup> December, 2023.
- Project Implementation Letter no 2, Amendment no. 2 for the Mangla Dam Rehabilitation Project signed on 20<sup>th</sup> December, 2023.
- Close-Out of Project Implementation Letter No. 01 under the Amended and Restated Activity Agreement No. 391-014 for the Khyber Pakhtunkhwa Reconstruction Program signed on 1<sup>st</sup> February, 2023.
- Close-Out of Project Implementation Letter FARA II under the Amended and Restated Activity Agreement No. 391-014 for the Khyber Pakhtunkhwa Reconstruction Program signed on 1<sup>st</sup> February, 2023.
- Amendment No. 1 to Project Implementation Letter (PIL) No. 38 for the FATA Infrastructure Program signed on 15<sup>th</sup> February 2023.
- Amendment No. 4 for the USAID-Funded Merit and Need-Based Scholarship Program (MNBSF) signed on 3<sup>rd</sup> March 2023.
- Project Implementation Letter (PIL) No. 06 under Activity Agreement 391-G-00-04-01023-12 for Merit and Need-Based Scholarship Program (MNBSF). 03rd March 2023.
- Amendment No. 10 to the amended and restated activity agreement for the Municipal Services Program Khyber Pakhtunkhwa (MSP-KP) signed on 2<sup>nd</sup> March, 2023.
- Amendment no. 7 to the Activity Agreement 391-PEPA-SBEP for the Sindh Basic Education Program signed on 29<sup>th</sup> March, 2023.
- Amendment No. 15 to the Amended and Restated Activity Agreement for the FATA Infrastructure Program (FIP), Amendment No. 1 to the Project Implementation Letter (PIL) No. 36 and Amendment No. 2 to the Project Implementation Letter (PIL) No. 44 for the FATA Infrastructure Program (FIP) signed on 8<sup>th</sup> May, 2023.
- Amendment No. 1 to the Project Implementation Letter (PIL) No. 39, Amendment No. 1 to the Project Implementation Letter (PIL) No. 42 and Amendment No. 1 to the Project Implementation Letter (PIL) No. 43 for the FATA Infrastructure Program (FIP) signed on 5<sup>th</sup> June, 2023.
- Amendment no. 3 to the Project Commitment Letter 391-HAS-SCHSA-001-001 for strengthening of the technical capacity of the health services academy, Islamabad Activity signed on 15<sup>th</sup> May, 2023.
- Signing of The Development Objective Agreement (DOAG) Between the United States of America and The Islamic Republic of Pakistan signed on 7<sup>th</sup> June, 2023.

## **2. USA-International Narcotics and Law Enforcement-Pakistan (INL-P)**

During FY 2022-23, Economic Affairs Division has acknowledged/signed Six (06) Project Implementation letters of INL-P, US Embassy Islamabad amounting to US\$ 4.46 million for projects initiated under Law Enforcement Reforms and Capacity Building, Rule of Law, Crop Control and Area Development, and Demand Reduction.

A new five-year Development Objectives Assistance Agreement (DOAG) has been signed between U.S Agency for International Development (USAID) and Government of Pakistan on 7<sup>th</sup> June, 2023. Under this agreement, the US government will undertake development programmes to the tune of US\$ 445.6 million over a period of 5 years. It is pertinent to highlight here that all these funds are grants and no component of loan is involved in these funds. Thematic areas of new DOAG are Climate-Resilient Economic Growth, Inclusive and Accountable Democratic Governance and a Healthier, more Educated Population.

### **USA-International Narcotics and Law Enforcement-Pakistan (INL-P)**

INL-P, US Embassy, has proposed Revision/Amendment No. 79 of the Letter of Agreement, 1982 for signature of Secretary, EAD and Ambassador of USA. The purpose of this amendment is to address programmatic goals in order to facilitate the implementation project activities mutually advantageous to both governments for several years to come. This amendment is under process, and expected to be signed in next FY 2023-24.

**MULTILATERAL ORGANIZATIONS/  
DEVELOPMENT PARTNERS**

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## **ASIAN DEVELOPMENT BANK (ADB)**

The Asian Development Bank (ADB) is one of the largest development partners of Pakistan. Pakistan is a founding member of ADB with **2.174%** shareholding and overall capital subscription of **US\$ 3.08 billion**. ADB provides financial support to Pakistan including, program lending, project loans, grants & technical assistance for bridging the financing gap and meeting the development needs of the country. Since 1966, the Bank has disbursed over **US\$ 30.76 billion**, for priority areas, including economic reforms, energy, road & transport, agriculture & water and social sector.

### **Ongoing Portfolio:**

ADB's active sovereign loan and grant portfolio in Pakistan amounts to US\$ 9.70 billion (project lending: US\$ 8.2 billion, program lending US\$ 1.5 billion and grants US\$ 0.09 billion). This amount has been committed in the areas of Energy, Transport, Agriculture, Natural Resources and Rural Development (ANR), Water & other Urban Infrastructure and Services (WUS), Public Sector Management (PSM), Education and Health.

The ongoing portfolio comprises 42 investment projects (52 loans and 15 grants) (\$8.20 billion) and 1 policy-based lending PBL (\$1.5 billion). 3 projects (\$510 million) have been completed and their financial closure is in progress. Similarly, 3 loans (\$600 million) and 2 grants (\$20 million) in the ongoing projects have also been completed and awaiting financial closure.

The Ministry of Economic Affairs signed the following Memorandum of Understanding during 2022-23 of total worth USD 2385.6 million (USD 2377 for Loan component including 1 Policy Based Loan & USD 8 million for Grant component).

**Table 3: Memorandum of Understanding during 2022-23**

<b>S. No.</b>	<b>Loan/Grant No.</b>	<b>Name of Program/ Project/ MoU</b>	<b>Loan/Grant/ Grant-in-Aid/TA</b>	<b>US \$ Million</b>	<b>Signing Date</b>
i.	0844-PAK	Pakistan 2022 Emergency Response	Grant	3	19-09-2022
ii.	4234-PAK	Building Resilience with Active Countercyclical Expenditures Program (BRACE)	Loan	1250	24-10-2022

iii.	4235-PAK	Building Resilience with Active Countercyclical Expenditures (BRACE) Program (COL)	Loan	250	24-10-2022
iv.	4222-PAK	Khyber Pakhtunkhwa Health System Program	Loan	100	04-11-2022
v.	4279-PAK	Emergency Flood Assistance Project	Loan	475	15-12-2022
vi.	4278-PAK	Improving Workforce Readiness in Punjab Project	Loan	100	15-12-2022
vii.	6049-PAK	Project Readiness Financing for Khyber Pakhtunkhwa Water Resources Development Project	Loan	3.6	15-12-2022
viii.	6048-PAK	Project Readiness Financing for Naulong Dam Project	Loan	5	15-12-2022
ix.	4271-PAK	Power Transmission investment Program (P-4)	Loan	189	15-12-2022
x.	6041-PAK	KurramTangi Integrated Water Resources Development Project	Loan	5	22-12-2022
xi.	9234-PAK (EF)	Balochistan Urgent Response For Food Security Project	Grant	5	28-02-2023
<b>Total</b>				<b>2385.6</b>	

**Table 4: Project Disbursement Trend**

Fiscal Year	DISBURSEMENT		
	Project Financing	Program Financing	Total Total Disbursement
2012 - 13	424.75	-	424.75
2013 - 14	416.23	400.00	816.23
2014 - 15	443.83	-	443.83
2015 - 16	422.40	700.00	1,122.40
2016 - 17	1008.01	600.00	1,608.01
2017 - 18	1,018.00	-	1,018.00
2018 - 19	541.00	-	541.00
2019 - 20	535.71	2,300.00	2,924.00
2020 - 21	776.7	600.0	1,376.7
2021 - 22	683.557	600	1,283.557
2022 - 23	813	1500	2313.00

**Table 5: Sector Wise Disbursement for the Fiscal Year 2022-23**

S. No.	Sector	Disbursement Projections FY 2022-23	Actual Disbursement FY 2022-23
i.	Agricultural and Natural Recourses	52.6	56.00
ii.	Education & Health	35.3	26.5
iii.	Energy	205.2	181.6
iv.	Public Sector Management	298.4	364.6
v.	Transport	149.9	92.6
vi.	Urban Services	65.5	91.1
		<b>807</b>	<b>812</b>

### Ongoing Technical Assistance (TA) Portfolio:

Pakistan's active TA portfolio totals **\$53.11 million** and comprises **29 TA** projects. The cumulative contract award and disbursement for the TA portfolio is 62% and 38% respectively. The 29 active TAs comprises 9 Knowledge Support TAs (KSTA) and 20 Transaction TAs (TRTA).

Sectoral breakdown and the financial percentage share of ongoing ADB funded TAs in Pakistan is as follows:

**Table 6: Ongoing ADB funded TAs in Pakistan**

Sector	No. of TAs	% Financial Share
Public Sector Management (PSM)	14	32
Road & Transport	2	10
Agriculture & Natural Resources	6	26
Energy	2	11
Water & Urban Services	1	14
Health & Education	4	7
<b>Total</b>	<b>29</b>	<b>100.0</b>

### Funding Modalities:

#### Types of Funding

- Program Lending (Budgetary Support / Development Policy Credit)
- Project Loans (Standalone/MFF/RBL/PRF)
- Technical Assistance (Grant)
- Co-financing (Loans / Grants)
- Special Policy-Based Lending and Countercyclical Support Fund

## ASIAN INFRASTRUCTURE INVESTMENT BANK (AIIB)

The Asian Infrastructure Investment Bank (AIIB) was established in December 2015 to provide financing support to developing countries in Asia and Pacific for infrastructure development and to promote regional connectivity. AIIB has 106 members at present and is open for considering additional members. Each member country is represented in Board of Governors through Governor or Alternate Governor. There are 12 constituencies for the Board of Directors and each is represented by a Director; 09 constituencies represent regional members and 03 constituencies are for non-regional members.

The Asian Infrastructure Bank has an authorized capital of 100 billion US dollars. The Chinese Government subscribed 27% share capital. Pakistan's capital subscription is USD 1034.1 million which is 1.0665% of the total. The bank provides sovereign – backed as well as non-sovereign backed financing.

Pakistan's capital subscription is USD 1034.1 million whereby paid-in shares are valued at USD 206,800,000/- which is 1.0727% of the total. The bank provides sovereign – backed as well as non-sovereign backed financing. The loan pricing of the loans is as following: -

**Table 7: Loan pricing**

Average Maturity	Upto 20 Years
Front End Fee	0.25% (one time on loan principal)
Commitment Fee	0.25% (recurring on undisbursed loan)
Lending Spread	Variable
Reference Rate	Six Month SOFR
Lending Spread	0.87% - 1.37%

During the reported period, Pakistan participated in Annual Meetings of the Asian Infrastructure Investment Bank highlighting the country's financing needs in targeted sectors.

There are seven ongoing AIIB funded projects in Pakistan worth USD 867.5 Million. Two new projects have been signed during the period. **(Annex-IV)**.

## **EUROPEAN UNION (EU)**

Development Cooperation with EU goes back to year 1976. However, EU-Pakistan relations were redefined by the Strategic Engagement Plan (SEP) signed between two sides in 2019 with broader dimensions identified for a mutual relationship. Under SEP, the EU-Pakistan relations also cover trade and development assistance besides political and security cooperation. EU is also a major development cooperation provider for Pakistan.

European Union has a sizable development assistance programme in Pakistan. The total amount of development assistance provided by EU in the form of grant stands over Euro 1.9 billion till now including bilateral and humanitarian assistance. EU provides grant assistance for Rural Development, Natural Resource Management and Education & Human Resource Development. Some of the non-focal areas of Pak-EU development cooperation are trade and economic cooperation, democracy, human rights, counter terrorism, security and humanitarian assistance.

The EU also supports Pakistan's integration into the global economy. This is being achieved by:

- Furthering bilateral trade, promoting direct investment, supporting institution building, and defending human rights, including the implementation of international labour standards.

The EU also supports the Pakistan Government's ongoing economic reform agenda in consultation with the international financial institutions. In addition, the EU is planning to expand its dialogue and cooperation with Pakistan in relation to energy issues.

### **Instruments of Cooperation**

The basis of donor relationship is the MoU signed in 1991 between the Commission of the European Communities and Pakistan. Another agreement entitled Cooperation Agreement was signed between Pakistan and European Community in 2004. Since 2014, EU and Pakistan have signed the Multi Indicative Programme (2021-27) for Pakistan amounting to € 265 million.

### **Overview of the Portfolio**

Currently, the EU has 16 on-going projects and 26 Non-G2G projects through different NGOs, INGOs and UN agencies.

## **Pakistan - EU Financing Agreements**

In January, 2023, Pakistan and the EUD signed the following three Financial Agreements:

- i. Khyber Pakhtunkhwa Rural Economic Transformation Project – KP-RET (Euro 17 M Grant),
- ii. ENERGY PLUS: Energy for Climate Resilience in Gilgit-Baltistan (GB) and Chitral district in Khyber Pakhtunkhwa (Euro 30 M Grant),
- iii. EU support for sustainable economic development through demand-driven Technical and Vocational Education and Training (TVET IV) (Euro 40 M Grant).

## **Pakistan - EU Joint Commission**

Article 16 of the “Cooperation Agreement between the Islamic Republic of Pakistan and the European Community” in 2004, established a Joint Commission in 2007 for setting up priorities, having three operational sub-groups in (i) Development Assistance, (ii) Trade, and (iii) Governance & Human Rights. The Commission’s meeting is held annually in Islamabad and Brussels, on alternate basis. The 12<sup>th</sup> Session of Pak-EU JC was held in Pakistan on 5<sup>th</sup> October, 2022 and 13<sup>th</sup> Session held in Brussels, Belgium from June 20-23, 2023.

## **Current Activities**

Both sides engage through various institutional arrangements including Programming Steering Committee meetings, Biannual Portfolio Review meetings and other engagements to discuss progress on on-going projects. MIP (2021-2027) has been adopted by the EU. The MIP (2021-2027) includes funding for 3 major sectors in line with SDGs for Pakistan including (i) Green Inclusive Growth; (ii) Human Capital; and (iii) Governance, including the Rule of Law and Human Rights with a total of € 265 Million. Moreover, 5 new projects amounting to € 100 Million are committed in Annual Action Plan 2023 which will be signed in the near future. The Mid-term Review Meeting on MIP 2021-2027 was also held on 31<sup>st</sup> August, 2023.

## ISLAMIC DEVELOPMENT BANK (IsDB) GROUP OPEC FUND FOR INTERNATIONAL DEVELOPMENT (OFID)

### A. Islamic Development Bank (IsDB)

- IsDB is an International Financial Institution, established in 1975 with the aim to foster economic development and social progress of 57 Muslim member countries in accordance with the principles of Shari'ah.
- IsDB's total project portfolio during 2022-23 for Pakistan was US\$ 623.64 million, out of which an amount of US\$ 136.077 million has been disbursed as of June 30, 2023 other than \$161.00 million by ITFC through syndicate financing.
- During the year 2022-23, under the IsDB financing one agreement amounting to US\$ 50.26 million for Sindh Integrated Health and Women Empowerment Project and one agreement for a grant for emergency flood response was signed worth \$3.895 million with IsDB & IFRC.
- IsDB pledged \$4.2 billion over three years at Climate Resilient Pakistan Conference in Geneva in January, 2023.
- Country Engagement Framework for 2023-2025 is under discussion with IsDB comprising of projects worth over \$900 million.

### B. International Islamic Trade Finance Corporation (ITFC)

- On the successful completion of the 3<sup>rd</sup> Framework Agreement (2018-2020), a new Framework Agreement was signed with ITFC on June 28, 2021. Under the new Framework agreement ITFC will make its best efforts to mobilize financial resources amounting to US\$ 4.5 billion during the coming three years 2021-2023 (US\$ 1.5 billion on yearly basis). In 2022-23, the following agreements were signed with ITFC:

**Table 8: Agreements signed with ITFC**

S #	Project No.	Amount US\$ million	Signing Date	Disbursement
i.	Pak-0209	161.00	14-08-2022	161.00
ii.	Pak-210	100.00	13-5-2023	97.00 (in July, 2023)
	<b>Total</b>	<b>261.00</b>		<b>258.00</b>

- ITFC also organized a training session for officers from GoP (EAD and Finance Division) Sovereign Debt Management in March, 2023.

### **C. OPEC Fund for International Development (OFID)**

- OPEC Fund started its operations in August 1976 and became a full-fledged permanent international development agency in May 1980. Its main aim is to foster social and economic progress in the developing world through provision of concessional financing.
- OPEC Fund total Project Portfolio was US \$ 122.00 million. An amount of US\$ 50.00 million has been disbursed as of June 30, 2022.
- Financing agreement for Mohmand Dam Hydropower Project for an amount of US\$ 72.00 million was signed with OPEC Fund on 15-06-2022.
- OPEC Fund also provided grant amounting to US\$ 1.0 million for emergency flood response which was disbursed through IFRC during the financial year 2022-23.

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## UNITED NATION (UN)

The Ministry of Economic Affairs (MoEA), on behalf of the Government of Pakistan, acts as an interface between GoP and 23 UN Agencies for which a dedicated UN Wing has been created within the Ministry. MoEA works with the UN Office of the Resident Coordinator and UN Agencies for sustainable economic development and social uplift of people of Pakistan. MoEA effectively coordinates with the federal and provincial departments to achieve objectives and targets of the different development projects under UN Agencies.

### **I. Signing/Endorsement of United Nations Sustainable Development Cooperation Framework 2023-2027 and Country Programs**

- MoEA signed the first “United Nations Sustainable Development Cooperation Framework 2023-2027” on 25<sup>th</sup> October, 2022. UNSDCF is an agreement between the UN and the Government of Pakistan to work together for sustainable and climate resilient Pakistan. Under the UNSDCF, an estimated fund of US\$4.6 billion will be mobilized for the next five years.
- UNSDCF focuses on 5 major outcomes including basic social services, gender equality and women’s empowerment, climate change and the environment, sustainable and inclusive economic growth and decent work, and governance.
- MoEA signed a Memorandum of Understanding (MoU) with WFP regarding the WFP’s Country Strategic Plan (2023-2027) on 23-06-2023 under which WFP will provide food commodities, cash and commodity vouchers etc with an estimated worth of US\$780 million.
- MoEA endorsed the United Nations Population Fund’s (UNFPA) Country Programme (2023-27) with indicative assistance of US\$ 59 million in areas of Family planning /Integrated sexual and reproductive health services, rights and needs of youth, Gender-based violence and Population data. Moreover, MoEA also endorsed United Nations International Children Emergency Fund’s (UNICEF) Country Programme (2023-27) with indicative assistance of US\$ 916.345 million for interventions in the field of health, nutrition, child protection, learning and skills.

### **II. Projects Endorsement: MoEA processed and endorsed the following projects/initiatives under UN Agencies.**

- “Stabilization and Economic Recovery of Communities through Social Cohesion, Local Governance and Livelihood Opportunities in the Newly Merged Districts of Khyber Pakhtunkhwa”. US\$ 3.9 million Project to be implemented by UNDP and funded by the Government of Japan.

- “Improved Access to Water and Sanitation Services in Khyber Pakhtunkhwa” US\$ 7.6 million Project to be implemented by UNOPS with possible funding from Saudi Fund for Development (SFD).
- “Combating Climate Change through the Promotion and Application of Sustainable Biomass Energy Technologies in Pakistan (PASBET)”. US\$ 3.9 million project to be implemented by UNDP in rural areas of Pakistan.
- “Strengthening Community - Managed Protected Areas for Conserving Biodiversity and Improving Local Livelihoods in Pakistan” US\$ 2.6 million project to be implemented by UNDP to mitigate effects of climate change in selected districts of GB, KP and Punjab.
- Endorsed the request of MoCC for second extension of “Scaling-up of Glacial Lake Outburst Flood Risk reduction in Northern Pakistan (GLOF-II) Project ". It is US\$ 37.46 million project of UNDP which is being implemented by the Ministry of Climate Change.
- “Adaptation Fund Project Development for Enhancing Resilience in Rehri Goth-Fisherman Coastal Community of Karachi Through Climate-Resilient Infrastructure Development” A US\$ 10 million project being implemented by UN- HABITAT and financed by UN-HABITAT Adaptation Fund.

### **III. Miscellaneous Achievements**

- The concept of the Green Housing Technology in the construction industry floated by the Ministry of Housing and Works, Government of Pakistan was forwarded to UN Agencies. UN-HABITAT showed its interest in working with the Ministry of Housing on the issue of Green Housing Technology.
- Meeting of the Program Coordination Committee (PCC) was held on 17<sup>th</sup> January, 2023 in which the achievement and activities carried out during the year 2022 were analyzed and priorities identified for 2023 under UNFPA Country Program Document (2023-27).
- A consultative meeting of Inter-Ministerial and Development Partners to secure funding for Pakistan Demographic Health Survey (PDHS) 2022-23 was held on 16<sup>th</sup> December, 2022. MoEA has approached various donor agencies to fill the funding gap of US\$0.9 Million for 5<sup>th</sup> PDHS under National Institute of Population Studies (NIPS).
- The Prime Minister of Pakistan established a Task Force (TF) on Green Financing on 13<sup>th</sup> September, 2022 to explore and capitalize the potential of green climate financing, with Minister for Climate Change as Convener and Minister for Economic Affairs as Co-Convener. Two Sub-committees were constituted under TF on Green Financing i.e Sub-Committee on Green Financing and Sub-Committee on Debt for Climate Swap Arrangements on Sustainability Linked Bonds with MoEA in lead role.
- Two meetings of the Sub-Committee on Debt for Climate Swap (DCS) were held on 23<sup>rd</sup> December, 2022 and 5<sup>th</sup> January, 2023 respectively. A meeting to identify the challenges associated with inflows of climate finance was held on Tuesday, 4<sup>th</sup> July, 2023.

- MoEA participated in 07<sup>th</sup> Project Steering Committee (PSC) Meeting of a project titled “Scaling-up of Glacial Lake Outburst Flood Risk Reduction in Northern Pakistan (GLOF-II)” held on 1<sup>st</sup> November, 2022. MoEA also participated in 08<sup>th</sup> Project Steering Committee (PSC) of the subject project held on 17<sup>th</sup> January, 2023 at MoCC, Islamabad.
- MoEA participated in the Stakeholders Consultation Workshop on “Fan Replacement Program held on Wednesday”, 1<sup>st</sup> March, 2023.
- MoEA processed the case for seeking Technical Assistance from UNDP to strengthen Debt Management and Policy Wing of MoEA for developing financial and economic resilience of Debt Management in the country.
- MoEA participated in 29<sup>th</sup> Meeting of the Board of the Directors (BODs) of Mountain Area Conservancy Fund (MACF) held on 3<sup>rd</sup> May, 2023 at the Ministry of Climate Change to discuss various important agenda items of MACF.
- Portfolio Review of UNICEF, UNFPA, UNDP, WFP, FAO and UNIDO were held at MoEA to review the activities and issues/bottlenecks being faced by above mentioned international donor agencies working in Pakistan.
- MoEA gave endorsement of MoU/Agreement between UNICEF and BISP to implement Rolling Work Plan activities in flood affected areas.
- Assisted UNEP delegation, led by Ms. Jessica Troni, Chief Climate Change Adaptation Unit, in connection with their visit to assist Pakistan in realizing “Living Indus Initiative” through establishing presence of UNEP in Pakistan, preparing vulnerability Index for climate induced disasters and finding ways and means to secure funding for climate change related activities.

#### **IV. MoEA as Focal Point for Foreign Assistance for Natural Disaster**

- UN Wing, MoEA serves as a focal point for mobilization of foreign assistance during natural disasters. In 2022, Pakistan faced an unprecedented climate induced flood which affected more than 33 million people. MoEA played a vital role in mobilization of foreign assistance for the immediate rescue and relief activities and the subsequent recovery and reconstruction efforts.
- On the directions of the Prime Minister Office, MoEA constituted and notified the Joint Steering Committee for coordination of foreign assistance for the flood relief activities on 26<sup>th</sup> August, 2022. MoEA conducted regular meetings of the Joint Steering Committee. MoEA coordinated and compiled data of foreign financial assistance and in-kind support for the flood relief activities. In addition, MoEA regularly coordinated/attended meetings of the National Flood Response and Coordination Center (NFRCC).
- MoEA coordinated and assisted the preparation of the Post Disaster Need Assessment Report (PDNA) and the Resilient Recovery, Rehabilitation and Reconstruction Framework (4RF) under the Ministry of Planning, Development and Special Initiatives.

- MoEA coordinated and assisted the preparation for the International Conference on Climate Resilient Pakistan which was held on 9<sup>th</sup> January, 2023 in Geneva Switzerland. The Co-Chairs' summary of the International Conference proposed the establishment of the International Partners Support Group (IPSG).
- After consultation with different stakeholders, the Ministry of Economic Affairs notified International Partners Support Group (IPSG) on 17<sup>th</sup> March, 2023. IPSG comprises 42 members including Federal and provincial governments and international multilateral and bilateral development partners. The purpose of IPSG is to assist Pakistan in developing plans, secure financial and other commitments for the implementation of these plans and projects over the coming years. The meetings of IPSG are chaired by Prime Minister of Pakistan.
- MoEA coordinated project concepts notes with the Ministry of Planning, Development and Special Initiatives under 4RF. Moreover, MoEA coordinated with the Office of Auditor General of Pakistan regarding third party audits of foreign assistance for flood relief activities.

#### **V. Capacity Development of Government Officers**

- As part of Government manifesto of capacity development of Government officers, UN Wing, MOEA played a proactive role and for the FY 2022-23, a total 581 officers were nominated in which 172 were nominated for short terms courses while 92 officers were nominated for 42 Master/PhD degree programs through Foreign Training Committee (FTC).
- In addition, MoEA coordinated and processed 95 training under United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP).

## WORLD BANK

EAD deals with the financial and technical assistance from the World Bank Group and International Fund for Agriculture Development (IFAD). The World Bank Group comprises of the International Bank for Reconstruction and Development (IBRD) and its affiliates, the International Development Association (IDA), the International Finance Corporation (IFC), The International Centre for Settlement of Investment Disputes (ICSID), and Multilateral Investment Guarantee Agency (MIGA).

**The World Bank:** Ministry of Economic Affairs (MoEA) and the World Bank Group have jointly prepared the Country Partnership Strategy (CPS) 2015-19 (extended upto 2022) which focuses on transforming the energy sector, supporting private sector development, breaking through “good enough” barrier on services, reaching out to the underserved neglected and poor, and leveraging regional markets. To support the economic agenda of the Government, the World Bank Group has committed around US\$13.4 billion during the CPS period.

Ministry of Economic Affairs (MoEA) has signed ten (10) financing agreements with the World Bank during FY 2022-23, having total funding volume of US\$ 2.882 million, to support the following development projects/programs in Pakistan.

- **“Punjab Urban Land Systems Enhancement Project”** worth US\$ 150.0 million was signed with the World Bank on 01.10.2022 with the objective to improve land records; identification of land for development including housing programs and to provide immediate and effective response in case of an eligible crisis or emergency.
- **“Punjab Affordable Housing Program (PAHP)”** worth US\$ 200.0 million was signed with the World Bank on 01.10.2022 with the objective to support the Government of Punjab in strengthening its housing institutions & systems and enhancing the quantity & quality of affordable housing supply.
- **“National Health Support Project”** worth US\$ 340.0 million was signed with the World Bank on 11.10.2022 with the objective to strength equitable delivery and quality of essential health services at the primary health care level in support of UHC.
- **“Khyber Pakhtunkhwa Rural Accessibility Project (KP-RAP)”** worth US\$ 300.0 million was signed with the World Bank on 01.11.2022 with the objective to improve save and climate-resilient Rural Accessibility to schools, health facilities and markets in selected districts of Khyber Pakhtunkhwa.

- **“Punjab Resilient and Inclusive Agriculture Transformation”** worth US\$ 200.0 million was signed with the World Bank on 01.11.2022 with the objective to enhance equitable access to, and productivity of agricultural water and improve incomes of farmers supported by the project.
- **Sindh Flood Emergency Housing Reconstruction Project** worth US\$ 500.0 million was signed with the World Bank on 06.01.2023 with the objective to deliver own-driven, multi-hazard resilient reconstruction of core housing units affected by the 2022 floods in selected districts of Sindh Province
- **“Sindh Flood Emergency Rehabilitation Project”** worth US\$ 500.0 million was signed with the World Bank on 06.01.2023 with the objective to: (a) rehabilitate damaged infrastructure and provide short-term livelihood opportunities in selected areas of Sindh province affected by the 2022 floods, and (b) strengthen the Government of Sindh’s capacity to respond to the impacts of climate change and natural hazards.
- **“Strengthening Social Protection Delivery in Sindh Project”** worth US\$ 200 million has been signed with the World Bank on 06.01.2023 with the objectives to Strengthen social protection service delivery system and enhance accessibility and utilization of Mother and Child Health Services in selected districts in Sindh.
- **“Sindh Integrated Health and Population Project”** worth US\$ 200 million has been signed with the World Bank on 06.01.2023 with the objectives to improve utilization and quality of basic RMNCAH+N, for poor and vulnerable populations, especially women and children, in targeted areas of Sindh.
- **“Sindh Water and Agriculture Transformation Project (SWAT)”** worth US\$ 292.0 million was signed with the World Bank on 06.01.2023 with the objectives to increase agricultural water productivity in selected Farmer Organization command areas, improve integrated water resources management, and contribute to restoring crop production by small farmers affected by the 2022 floods

The World Bank’s commitments for ongoing projects in Pakistan remained around US\$ 14.8 billion. The World Bank disbursed an amount of US\$ 2107.5 million during FY 2022-23 under its ongoing projects/programs in the country. (Annex-V)

**International Finance Corporation (IFC)** provides support to facilitate private sector development in Pakistan. IFC has committed around US\$ 2.8 billion in the last five (5) years in Pakistan. IFC has a long-term pipeline of US\$ 1.0 billion for FY 2023-24 in Pakistan, with investments in MSME financing, urban services, infrastructure, retail, healthcare, and manufacturing. Its current committed investment exposure (own account) amounts to US\$1.25 billion in 46 companies covering the following sectors.

- Infrastructure & Natural Resources - 36%

- Financial Institutions Group & Fund - 41%
- Manufacturing, Agri-Business & Services Sectors - 23%

**International Fund for Agricultural Development (IFAD):** has been a major development partner of Pakistan since 1978. IFAD works with the government of Pakistan to develop and finance programs that enable rural people to overcome poverty themselves. The current ongoing portfolio of IFAD in Pakistan comprises of five (5) projects worth US\$ 690.7 million with IFAD loan funding of US\$449.1 million. IFAD has disbursed US\$ 43.825 million under its ongoing projects during FY 2022-23.

Ministry of Economic Affairs (MoEA) has signed the financing agreement of project titled “**Additional Financing for Southern Punjab Poverty Alleviation Project**” to US\$ 50.0 million with IFAD on 27.07.2022 increase incomes of 232,450 poor households by enhancing their employment potential and increasing crop and livestock productivity and production. The overall goal of the project is to contribute to the reduction of poverty in 10 districts of Southern Punjab.

# **ECONOMIC COOPERATION WITH DEVELOPING COUNTRIES**

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## ECONOMIC COOPERATION

Economic Cooperation (EC) is responsible for Bilateral Economic Cooperation, which is mainly undertaken through an institutional mechanism in the form of Joint Ministerial Commissions (JMC), Joint Economic Commissions (JEC), Inter Governmental Commissions (IGC) and Joint Commissions (JC). Economic Cooperation Wing coordinates the Official Development Assistance (ODA) from the Gulf Region (Saudi Arabia), Oman, UAE (Abu Dhabi), Kuwait and Korea (through Korean International Cooperation Agency-KOICA) as well as concessional loans from Economic Development Cooperation Fund (EDCF) of the Republic of Korea for financing various development projects in Pakistan. Activities undertaken during the financial year 2022-23 are given below:

### Sessions of Joint Commissions

- 21<sup>st</sup> Session of Pak-Iran Joint Economic Commission (JEC) was held on 17-18 August, 2022 in Islamabad. During the JEC, following MoUs/Agreements were signed:
  - i. MoU on Maritime Search and Rescue between Government of Islamic Republic of Iran and the Government of Islamic Republic of Pakistan
  - ii. MoU between the National Museum of Iran and the National Museum of Pakistan on Museum Cooperation
  - iii. MoU between Government of Islamic Republic of Iran and the Government of Islamic Republic of Pakistan in the Field of Tourism.
  - iv. MoU on Co-operation between Associated Press of Pakistan Corporation (APPC) & Islamic Republic News Agency (IRNA)
- 11<sup>th</sup> Session of Pakistan-Kazakhstan Intergovernmental Joint Commission (IJC) was held at Islamabad, Pakistan on 23<sup>rd</sup> December, 2022. Following MoUs were signed during this session:
  - i. MoU on 'Promotion of Trade and Investment
  - ii. MoU on 'Facilitate Banking Services
  - iii. MoU on 'Air Services Agreement
- 6<sup>th</sup> Meeting of Pak-Belarus Joint Ministerial Commission (JMC) was held on 12-13 January, 2023 at Minsk, Belarus. During the JMC, the following MoUs were signed: -
  - i. MoU on Lok Virsa signed between the Museum of the Lok Virsa Islamabad (an autonomous body under administrative control of National Heritage and Culture Division) and the National Museum of the Republic of Belarus.

- ii. MoU on Tourism signed between the Ministry of Sports and Tourism of the Republic of Belarus and the Ministry of Inter Provincial Coordination.
- 8<sup>th</sup> Session of Pakistan-Uzbekistan Intergovernmental Commission (IGC) was held in Tashkent, Uzbekistan on 23-24 February, 2023. Following MoUs were signed:
  - i. MoU on Cooperation between the Ministry of Overseas Pakistanis and Human Resource Development of Pakistan and the Ministry of Employment and Poverty Reduction of Uzbekistan in the field of employment generation and vocational trainings.
  - ii. MoU on Action Plan on Enhancing Bilateral Trade.
- Follow Up Committee Meeting of 21<sup>st</sup> Session of Pak-Iran Joint Economic Commission was held on 17<sup>th</sup> May, 2023 (virtual Format).

#### **Agreements/ Note Verbal Signed with the Development Partners**

- Note Verbale/Letter of Exchange between Islamic Republic of Pakistan and Republic of Korea regarding “Establishment of Pak-Korea Nutrition Center (PKNC) to Improve Child and Community Nutrition Project” was signed on 4<sup>th</sup> August, 2022 amounting to **USD 7 Million** as ODA Grant in aid.
- Note Verbale/Letter of Exchange between Islamic Republic of Pakistan and Republic of Korea regarding “Establishment of the Gravity Based Safe Drinking Water Supply System in Havelian, Abbotabad, KPK Project” was signed on 2<sup>nd</sup> September, 2022 amounting to **USD 12.0 Million** as ODA Grant in aid.
- Kuwait Fund for Arab Economic Development’s mission visited Pakistan from 19<sup>th</sup> October to 2<sup>nd</sup> November, 2022 for appraisal of the Mohmand Dam Hydropower Project (MDHP) and initialed the draft loan Agreement amounting to US\$ 25 million.
- Loan Agreement amounting to **EUR 50 million** was signed on 15<sup>th</sup> March, 2023 between Pakistan and ECO Trade and Development Bank for Health & Nutrition Conditional Cash Transfer (CCT) Program for the flood affected districts under Benazir Nashonuma Program administered by Benazir Income Support Program (BISP).

#### **Trainings / Technical Assistance**

- The trainings offered during Financial Year 2022-23 are tabulated below:

**Table 9: Trainings offered during Financial Year 2022-23**

<b>S. No</b>	<b>Name of Sponsoring Agency</b>	<b>Number of Trainings</b>
i.	Republic of Korea (KOICA)	28
ii.	Singapore	16
iii.	Malaysia	38
iv.	Egypt (EICA)	08

## PAKISTAN TECHNICAL ASSISTANCE PROGRAMME (PTAP)

### i) Short-Term Trainings

- The Government of Pakistan provides fully funded short-term trainings to 85 countries of Middle East, South Asia, South East Asia, Africa and Latin America in the following fields:
  - i. Central Banking
  - ii. Commercial Banking
  - iii. Advance Railway
  - iv. Postal Services.
- During Financial Year 2022-23, four (04) short term trainings were conducted through National Institute of Banking and Finance (NIBAF), Postal Staff College (PSC) And Pakistan Railway Academy (PRA), Lahore and a total of 34 participants attended the said training courses, as per following break-up:

**Table 10:**

Sr. No.	Country	No. of Participants
i.	Postal Business Development	07
ii.	118 <sup>th</sup> Advance Railway Course	06
iii.	51 <sup>st</sup> Central Banking	10
iv.	48 <sup>th</sup> Commercial Banking	11
<b>Total</b>		<b>34</b>

### ii) Long-Term Education Facilities:

- Under the Long-term component of Pakistan Technical Assistance Programme (PTAP), Government of Pakistan offers under-graduate degree courses in the disciplines of Medicine, Engineering, Pharmacy and Dentistry to the students of Pak-origin of more than 52 countries of South Asia, South East Asia, Central Asia, Middle East, Africa students.
- The students admitted under this scheme pay fee at par with local Pakistani students. Whereas, air fare and expenses on boarding/lodging are borne by the students themselves.
- During Financial Year 2022-23, total 261 foreign students were granted admissions. Discipline wise details of the students are as under:

**Table 11:**

Discipline	No. of Students
MBBS	150
BDS	22
D. Pharmacy	35
B. Sc. Engineering	54
<b>Total</b>	<b>261</b>

- In addition to provision of seats in the above disciplines, a stipend @ 25, 000/- per annum is also given to 60 students of 15 countries selected on the basis of performance during their studies.

**POLICY ANALYSIS & DEVELOPMENT  
WING (PA&D)**

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## POLICY ANALYSIS & DEVELOPMENT (PA&D)

Policy Analysis and Development (PA&S) Wing annually prepares Revised Budget Estimates (RE) and Budget Estimates (BE) of foreign economic assistance in consultation with Federal Ministries/Divisions, Provincial Governments, Autonomous Bodies and other project implementing agencies. The Wing holds meetings with relevant stakeholders including Federal & Provincial Planning and Development Departments, concerned executing agencies, representatives from concerned policy wings of EAD & development partners. The finalized estimates are then sent to Finance Division and Planning, Development & Special Initiatives (PD&SI) Division for consideration. The estimates are further modified in the light of any changes proposed by relevant stakeholders and recommended by the Annual Plan Coordination Committee (APCC) chaired by the Minister for PD&SI and National Economic Council (NEC) chaired by the Prime Minister. The finalized estimates are forwarded to Budget Wing of Finance Division for inclusion in the Federal Budget in May/June.

Ministry of Economic Affairs in consultation with the relevant stakeholders prepared and finalized foreign assistance estimates as Revised Estimates for FY 2022-23 at USD 11,599.33 million and Budget Estimates for FY 2023-24 at USD 17,619.16 million. During the reporting period total disbursement was USD 10,844.30 million. Out of total Budget Estimates 2023-24 of USD 17,619.16 million, the share of multilateral development partners is USD 5,336 million and bilateral development partners' share is USD 883 million, Bonds USD 1,500 million, Commercial Banks USD 4,500 million and IMF USD 2,400 million. See Fig.1(a) & (b):

Figure 1(a) Revised Estimates 2022-23 US\$ Million

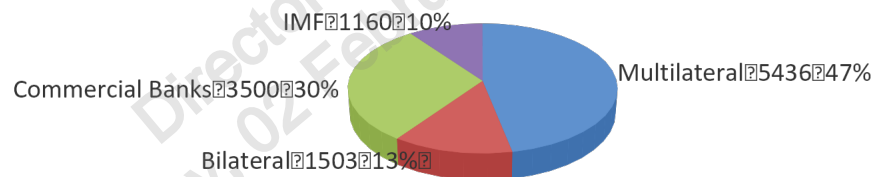
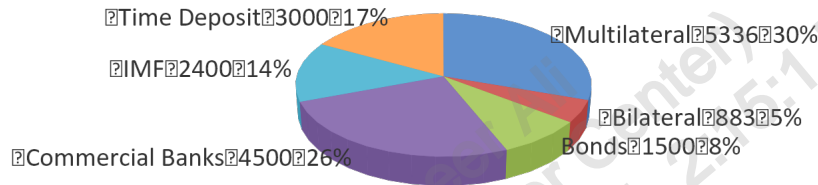


Figure 1(b) Budget Estimates 2023-24 US\$ Million



The Secretary EAD is one of the permanent members of Central Development Working Party (CDWP) & Executive Committee of the National Economic Council (ECNEC). The Secretary EAD is also invited to attend ECC & Cabinet meetings on special invitation. During Financial Year 2022-23, EAD participated in the following meetings: -

**a) Central Development Working Party (CDWP)**

Eighteen meetings of CDWP were held during the period FY 2022-23 and seventy-two projects having Foreign Exchange Component (FEC) were approved during the meetings.

**(b) Executive Committee of the National Economic Council (ECNEC)**

Seven meetings of ECNEC were held during the period FY 2022-23 and twenty-eight projects having Foreign Exchange Component (FEC) were approved during the meetings.

**(d) Federal Cabinet Decisions**

Fifteen decisions pertained to EAD out of which eight have been implemented and seven are in the process of implementation.

**(e) Economic Coordination Committee of the Cabinet (ECC)**

Fifty-four meetings of the ECC were held during this period. Five decisions pertained to EAD out of which two have been implemented and three are under implementation.

**(f) National Economic Council (NEC)**

One meeting of NEC was held during the reporting period. No decision has been received yet.

**(g) Departmental Development Working Party (DDWP)**

One meeting of DDWP were held during the period FY 2022-23 and one project having Foreign Exchange Component (FEC) were approved during the meeting.

**PC-Is & PC-IIs received from Planning Commission**

Four hundred and ninety-seven PC-Is/PC-IIs were received from Planning Commission through iPAS during the period FY 2022-23. Out of which ninety-two PC-Is/PC-IIs having foreign exchange component relating to EAD were processed and forwarded to concerned Wings for arranging foreign financial assistance.

**Preparation and Circulation of Foreign Economic Assistance Reports**

- **Quarterly Report on Foreign Economic Assistance for the period of July – September, 2022**

A Quarterly Report on Foreign Economic Assistance for the period of July – September, 2022 was prepared. It was reported that an amount of USD 422 million was committed by multilateral and bilateral development partners in the first quarter of 2022-23. In the same way, the disbursements of worth USD 2,234 million were recorded during this period.

- **2nd Quarterly Report on Foreign Economic Assistance for the period of July – December, 2022**

The Quarterly Report on Foreign Economic Assistance for the period of July – December, 2022 mentioned that the government signed new commitments of worth USD 3,905 million with various development partners. As well as, an amount of USD 5,847 million was recorded as disbursements during the period.

- **3rd Quarterly Report on Foreign Economic Assistance for the period of July – March, 2023**

The Quarterly Report on Foreign Economic Assistance for the period of July – March, 2023 mentioned that the government signed new commitments of worth USD 7,228 million with various development partners. As well as, an amount of USD 7,765 million was recorded as disbursements during the period.

# DEBT MANAGEMENT

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## Debt Servicing

EAD is responsible for making timely debt-servicing (principal repayments and interest payments) of foreign loans. Actual debt servicing of foreign loans during financial year 2022-23 amounted to US \$ 17,379 million, comprising US \$ 16,735 million central loans and US \$ 644 million guaranteed loans. Central loans were about 96.30% of the total debt servicing of external loans. Out of the total debt servicing of US \$ 17,379 million, US \$ 13,776 million was principal repayment which becomes 79.27% of the total debt servicing and interest payments are US \$ 2,959 million which becomes 17.03% of the total amount of debt servicing. About 21.69% (US \$ 3,769 million) of the total debt-servicing went to the bilateral creditors and 70.42% (12,238 million) to the Multilateral Creditors. About 92.11% (16,007 million) was against the Medium & Long-Term loans while 7.90% (1,372 million) was against the Short-Term loans. A summarized view of the total debt-servicing (Central + Guaranteed) is tabulated below, while details are at (Annex-VI).

**Table 14: Debt-Servicing of Foreign Loans:**

(US\$ Million)			
Particulars	Principal	Interest	Total
<b>A-Medium &amp; Long Term</b>			
<b>(I) Bilateral</b>	<b>3,100</b>	<b>668</b>	<b>3,769</b>
Paris Club	1,122	196	1,318
Non-Paris Club	1,979	473	2,451
<b>(II) Multilateral</b>	<b>9,784</b>	<b>2,454</b>	<b>12,238</b>
Multilateral	1,715	1,310	3,025
Commercial Bank	5,968	476	6,444
Euro Bonds	1,000	611	1,611
Naya Pakistan Certificate (NPC)	1,101	58	1,158
<b>Total: A (I+II)</b>	<b>12,884</b>	<b>3,123</b>	<b>16,007</b>
<b>B-Short Term</b>	<b>1,328</b>	<b>44</b>	<b>1,372</b>
<b>Grand Total: (A+B)</b>	<b>14,212</b>	<b>3,167</b>	<b>17,379</b>

## **DEBT RECORDING & REPORTING CENTRE (DRRC)**

The Debt Recording & Reporting Centre (DRRC) is responsible for maintaining an up-to-dated data bank of foreign aid [loans/grants]. Maintaining such a database by recording and analysis of all loans/grants transactions needs a user-friendly Management Information System [MIS]. The MoEA has been using DMFAS 6.4.2 for the purpose

### **Functions of the DRRC are as follows:**

- Maintaining external debt database through “Debt Management and Financial Analysis System [DMFAS]”;
- Liaison with UNCTAD’s DMFAS Team;
- Collection, compilation and entry of fresh commitments [loans/grants], disbursements, interest payments and repayment transactions;
- Debt-servicing projections till final maturity;
- Generation of the user-defined and pre-defined Reports;
- Downloading of daily exchange rates, Variable Interest Rates from the respective websites and making adjusting into the DMFAS;
- Data downloading from the secure websites of World Bank, ADB and other Financial Institutes;
- Provision of external debt data to World Bank/IMF under debtor Reporting System;
- Verification and validation of external debt data in consultation with DM Wing and PA&D Wing of Ministry of Economic Affairs, SBP and External Finance Wing of Finance Division

### **External Information Sources**

- Policy Wings
- State Bank of Pakistan
- Executing Agencies

### **Donor information sources:**

- Asian Development Bank
- World Bank
- Islamic Development Bank

### **Following activities have been performed during the year 2022-23**

#### **A: Up-gradation of Debt Management Financial Analysis System (DMFAS) Database:**

- i. Fresh Commitments during 2022-23 i.e. all new loans / grants General Information, Tranche Information, Interest Terms and Amortization Schedules have been entered into DMFAS.
- ii. Entry of Disbursement transactions during 2022-23.
- iii. Debt Service Payments i.e. (principal/interest/commission/commitment charges, other charges) during 2022-23 have been entered.
- iv. External Debt Stock position has been prepared on monthly basis showing end of month position from 01-07-2022 to 30-06-2023 with the following specifications:
  - i. External Debt and Liabilities
  - ii. Segregation in respect of the following:
    1. External Debt Stock into Public and Publicly Guaranteed
    2. External Debt Stock into Fixed and Floating
    3. External Debt Stock into Concessional and Non-Concessional
    4. External Debt Stock into Currencies (Currency Composition)
- v. **Periodical Reports Generated and Issued during 2022-23:**

Following periodical reports were issued:

- a. Monthly disbursement report.
- b. Reconciliation of disbursement/payments report.
- c. Debt Service Projections Quarterly basis (From 2022-23 to 2025-26)
- d. Debt Service Projections Annually (From 2022-23 till final maturity).
- e. Quarterly Status Reports on Commitments and Disbursements for the following quarters:
  - i. 1st Quarter July-September, 2022-23
  - ii. 2nd Quarter July-December, 2022-23
  - iii. 3rd Quarter July-March, 2022-23
- f. World Bank Report (Form I) for calendar 2022
- g. World Bank Report (Form II) for calendar 2022.
- vi. Customized Reports for National Assembly / Senate / Standing Committee on Economic Affairs / IMF / Finance Division / PIFRA / Debt Policy & Coordination (DPCO) and State Bank of Pakistan were prepared as per their requirements.
- vii. Backend trouble shooting/performance tuning and backup/recovery of DMFAS database on regular basis.

**Non-Governmental Organizations (NGOs)/  
Non-Profitable Organizations (NPOs)**

## NGOs/NPOs

NGOs Policy 2022, was approved by the federal cabinet in November 2022. The new policy aims to facilitate processing of business cases of local NGOs receiving foreign contributions transparently and smoothly. Extensive consultations with all stakeholders were made before finalizing all provisions of the NGOs policy 2022. More than 20 meetings were held with all stakeholders including the representatives of civil society & international partners within a span of 3 years. The policy was also placed on the website of EAD to obtain feedbacks from civil society. It is pertinent to mention here that most of the proposals, received from various stakeholders have been incorporated in the approved policy for speedy disposal of the MOUs of NGOs. Prior to approval of this policy, NGOs policy 2013 was struck down by Sindh High court (SHC) in its judgement in the year 2022.

Salient Features of the Policy-2022 include the following:

- An online portal has been established for submission of MOUs to EAD. All applications are processed electronically and no representative of any NGO is required to visit EAD to follow their cases. Instead, status of their applications could be checked online, using the dedicated portal.
- All local NGOs receiving foreign contributions for their projects can register their profiles on the portal and can subsequently apply for signing of their MOU with EAD.
- The portal is integrated with all relevant stakeholders and can be accessed by them to give their comments/feedbacks on all application submitted by the NGOs.
- All stakeholders are bound to submit their response within 45 days for fresh applications and 30 days for renewal/ additional project. In case of non-provision of feedbacks by any stakeholder, cases of MOU could be processed without waiting further for their response.
- The Policy has clearly defined scope; characteristics, objectives, exclusions; prerequisites; exemptions/ prohibitions / obligations, extent and Application of Policy

Following mandatory pre-requisites have been laid down in the new policy:

- Is registered as NPO/NGO in Pakistan
- Active tax payer

- Preferably one year experience
- MOU up to 3 years could be signed and extension/renewal can be granted by Secretary EAD for another 2 years
- Monitoring and Evaluation and Suspension/Termination conditions have been laid down.

Redressal of Grievances. Section 12 of the Policy provides for the redressal of grievances

- NGOs/NPOs may file a grievance petition against any decision of MoEA within 15 days before the Grievance Committee;
- Grievance Committee shall be headed by the Secretary MoEA and comprising members from MOI, MOFA and Law
- The quorum of Grievance Committee shall be 50 per cent of total membership;
- Grievance Committee shall decide the grievance within a period of 30 days from the date of receipt of grievance;
- The decision of the Review Committee shall be final.

Portal was made active immediately after approval of the policy and applications are being processed through the portal by EAD to the stakeholders for clearance as per Policy for Local NGOs/NPOs Receiving Foreign Contributions-2022.

### Current Status of Local NGOs (As on 25-09-2023)

#### A. Fresh Cases

**Table 15:**

i.	No of projects applied	<b>1175</b>
ii.	Applications Approved/MOU Signed	<b>348</b>
iii.	Projects/applications Regretted	<b>01</b>
iv.	Applications under Process with stakeholders	<b>621</b>

#### B. Renewal Cases

**Table 16:**

<b>No of Projects Applied</b>	<b>Approved Cases</b>	<b>Pending Cases</b>
<b>294</b>	<b>115</b> <b>(approved on portal 49)</b>	<b>179</b>

# ANNEXURES

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**Organogram of Economic Affairs Division**

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**ONGOING LOANS WITH GOVERNMENT OF CHINA****(Million USD)**

<b>Sr.No</b>	<b>Name of Project/ Program</b>	<b>Type of financing</b>	<b>Signing Date</b>	<b>Closing Date</b>	<b>Amount Committed  (USD Million)</b>	<b>Disbursed</b>
1	Orange Line in Lahore Project	loan (Exim Bank)	21.12.15	01.04.2024	1,626.000	1456.016
2	Thakot to Havelian 118 KM (KKH Phase II)	loan (Exim Bank)	28.04.16	15.08.2023	1,315.193	1238.9
3	Multan- Sukkur Section (387 km) Peshawar Karachi Motorway	loan (Exim Bank)	28.04.16	15.08.2023	2,889.737	2859.36
				<b>Total</b>	<b>5,830.93</b>	<b>5,554.276</b>

**ONGOING GRANT PROJECs****(Million US\$)**

<b>S#</b>	<b>Project Title</b>	<b>Signing Date/ Closing Date</b>	<b>Executing Agency</b>	<b>Committee Amount</b>
1.	New Gwadar International Airport	13-05-2017 / 31-03-2024	PCAA/ Aviation Division	224
2.	Gwadar Hospital Project	10-4-2018 / 31-12-2023	GDA	25.43
3.	Reconstruction and Rehabilitation of Fully Damaged Schools in Bara District Khyber	13-08-2017 / 31-12-2023	Merged Area Secretariat, Peshawar	10.3
4.	Smart Classroom Project for Higher Education	8-10-2019 / 30-04-2024	HEC	13.05
5.	Establishment of New Generation Geodetic Datum of Pakistan	13-05-2017 / 30-06-2025	Survey of Pakistan / M/o Defence	13.655
6.	Rehabilitation of Specific Sections of National Highway N5 project	31-12-2020 / 31-12-2024	NHA / M/o Communications	100
7.	PTV Terrestrial Digitalization DTMB-A Pilot Project Through Grant –in-Aid by Government of China	09-11-2021 / 30-06-2024	M/o Information & Broadcasting	21.570
8.	Gwadar Desalination Plant	29-12-2020 / 30-06-2023	GPA / M/o Maritime Affairs	13.08
<b>Total</b>				<b>US\$ 421.085 million</b>

**ONGOING PROJECTS AIIB**

<b>Sr. No.</b>	<b>Project Name</b>	<b>Signing Date Closing Date</b>	<b>Financing (Million USD)</b>	<b>Disbursements (Million USD)</b>
01	Tarbela 5 <sup>th</sup> Ext. Hydropower Plant	18.01.17 30.06.25	300	69
02	Karachi Water & Sewerage Service Improvement Project Phase-I	11.12.19 30.06.25	40	18.6
03	Karachi Waste Water & Sewerage Service Improvement Project Phase-II (Grant)	02.12.2020 30.06.2023	4.136	3.7
04	Karachi BRT Red Line	24.02.21 30.06.26	71.8	4.32
05	Balakot Hydropower Project	27.09.2021 30.09.2028	250	5.82
06	KP Cities Improvement Project	11.04.2022 30.06.2028	200	11.09
07	Lahore Waste Water Project Preparatory Advance	07.09.2022 07.03.2024	1.6	0.4
<b>Total</b>			<b>867.5</b>	<b>112.93</b>

**New Signed Projects**

<b>Sr. No.</b>	<b>Project Name</b>	<b>Signing Date Closing Date</b>	<b>Cumulative Amount (US\$ Mn)</b>		
			<b>Financing</b>	<b>Disbursed Amount</b>	<b>Undisbursed Amount</b>
01	Lahore Waste Water Project Preparatory Advance	07.09.2022 07.03.2024	1.6	0.4	1.2
02	Building Resilience with Active Countercyclical Expenditure Program (BRACE)	10-11-2022 21.12.2022	500	500	0
<b>Total</b>			<b>501.6</b>	<b>500.4</b>	<b>1.2</b>

**WORLD BANK FUNDED ONGOING PROJECTS**

(US\$ in M)

S#	Project Name	Signing Date	Closing Date	IDA/IBRD	Net Commitment	Total disbursed (June, 23)	Disbursement FY2023
1	Tarbela 4th Extension Hydropower	4/12/2012	6/30/2024	IDA/IBRD	1084.5	742.4	75.7
2	Dasu Hydropower Stage-1 Project	8/25/2014	6/30/2024	IDA	1288.4	424.9	111.5
3	FATA TDPs-ERP	23/09/2015	6/30/2024	IDA/MDTF	189.0	179.2	16.5
4	Transmission Modernization-I Prj.	12/19/2017	1/31/2024	IBRD	425.0	58.4	22.3
5	Financial Inclusion (SUF \$100M)	6/15/2017	6/30/2023	IDA	137.0	111.4	0.8
6	PFM & Accountability Prj.	12/29/2017	6/30/2023	IDA	380.0	342.4	56.3
7	Khyber Pass Economic Corridor	12/13/2019	5/28/2026	IDA	460.6	2.2	1.5
8	Pakistan Hydromet & DRM Services Proj	5/22/2020	12/31/2024	IDA	188.0	166.4	160.1
9	Pakistan Housing Finance	6/14/2018	6/30/2026	IDA	230.0	188.2	50.7
10	Higher Education Development in Pak	6/18/2019	6/30/2024	IDA	400.0	211.4	50.6
11	Sindh Solar Energy Project	6/14/2018	7/31/2025	IDA	100.0	21.8	5.8
12	Punjab Rural Sustainable Water Sup&Sani	6/25/2021	6/30/2028	IDA/IBRD	442.4	15.8	9.8
13	Sindh Irrigated Agriculture Productivity Proj.	8/7/2015	9/30/2023	IDA	187.0	184.4	9.2
14	Sindh Barrage Improvement Proj	8/26/2015	6/30/2024	IDA	219.5	107.7	22.2
15	Punjab Cities Program (PCP)	5/25/2018	3/31/2025	IDA	200.0	166.0	54.0
16	Punjab Green Development Program	5/25/2018	5/30/2025	IDA	200.0	129.2	41.3
17	Punjab Agriculture & Rural Transform.	2/2/2018	6/30/2023	IBRD	229.8	201.3	43.1
18	Balochistan Integrated Water Resource Mgt.	8/31/2016	4/30/2024	IDA	110.1	60.8	12.7
19	Punjab Affordable Housing Finance	10/1/2022	6/30/2027	IDA	200.0	0.0	0.0
20	Pb. Resilient & Inclusive Agri.Transformation	11/1/2022	6/30/2027	IDA	200.0	23.0	23.1
21	Punjab Tourism Growth Project	8/2/2017	7/31/2024	IDASUF	50.0	28.7	7.4
22	Sindh Disaster Resilience Improvement	8/31/2016	8/28/2024	IDASUF	300.0	292.2	94.1
23	Karachi Neighborhood Improvement	7/26/2017	6/30/2023	IDASUF	86.0	85.8	31.1
24	KP Irrigated-Agri. Improvement project	5/18/2020	12/31/2025	IDA	171.0	92.8	30.3
25	KP Integrated Tourism Project	11/26/2019	6/30/2025	IDA	70.0	35.7	6.5
26	KP Revenue Mobilization Program	6/18/2019	12/31/2024	IDA	118.0	88.8	15.6
27	CASA-1000 HPP	5/11/2015	12/31/2025	IDA	185.0	125.1	32.7
28	Competitive & Livable City of Karachi	11/26/2019	6/30/2024	IBRD	230.0	57.2	14.4
29	Pakistan Raises Revenue Program	6/18/2019	6/30/2024	IDA	400.0	277.6	68.3
30	Karachi Water & Sewerage Services Prog.	11/26/2019	6/30/2025	IBRD	40.0	18.6	10.2
31	Karachi Urban Mobility Project	11/26/2019	12/31/2025	IBRD	382.0	4.6	0.4
32	Punjab Human Capital	5/18/2020	6/30/2025	IDA	200.0	42.9	10.5

33	Pandemic Response Effectiveness in Pak	4/3/2020	6/30/2023	IDA	191.1	190.7	0.1
34	Actions to Strengthen Performance for Inclusive and Responsive Education	8/21/2020	6/30/2025	IDA	200.0	131.3	38.7
35	KP Hydropower & Renewable Energy Prj.	10/15/2020	11/30/2027	IDA/IBRD	450.0	6.4	4.9
36	Pb. Resource Improvement&Digital Effect	12/16/2020	8/25/2025	IBRD	304.0	205.5	121.0
37	Karachi S.Waste Emergency & Efficiency	2/25/2021	6/30/2025	IBRD	100.0	3.7	2.1
38	Locust Emergency and Food Security	3/26/2021	8/31/2023	IDA	21.8	20.0	0.0
39	Pak. Crisis-Resilient Social Protection	3/26/2021	6/30/2025	IDA	600.0	557.6	381.5
40	Balochistan Human Capital Investment	3/26/2021	6/30/2025	IDA/TF	36.0	13.7	11.2
41	KP Human Capital Investment	3/30/2021	6/30/2025	IDA/TF	200.0	18.7	13.1
42	Balochistan Livelihood & Enterprenurship	3/26/2021	6/30/2024	IDA/TF	35.0	6.0	10.6
43	Strengthening Institutions for Refugees	3/26/2021	6/30/2025	IDA/TF	50.0	0.0	0.0
44	National Health Support Project	10/11/2022	12/31/2026	IDA/TF	258.0	54.5	68.0
45	FATA Governance and Policy	1/18/2017	6/30/2023	MDTF	5.0	4.9	0.4
46	Balochistan Governance & Policy	1/18/2017	6/30/2023	MDTF	16.0	16.0	1.5
47	KP Governance & Policy	5/23/2017	6/30/2023	MDTF	18.0	17.3	2.6
48	KP Rural Accessibility Project	11/1/2022	6/30/2027	IDA	300.0	0.0	0.0
49	KP Spending Effectively for Enhance Devlp.	5/6/2021	6/30/2026	IDA	400.0	199.0	41.7
50	CASA-1000 Community Support Program	7/27/2020	6/30/2023	MDTF	15.0	12.6	3.0
51	Sindh Early Learning Enhancement Proj.	8/12/2021	12/31/2025	IDA/GPE	100.0	4.5	10.8
52	Punjab Urban Land Systems Enhancement	10/1/2022	6/30/2027	IDA	150.0	11.6	11.6
53	Electricity Distribution Efficiency Improv	12/23/2021	12/31/2027	IBRD	195.0	0.5	1.1
54	Strengthening Social Protection Delivery System in Sindh	6/1/2023	6/30/2027	IDA	200.0	3.2	3.3
55	Sindh Integrated Health and Population Proj.	6/1/2023	6/30/2027	IDA	200.0	10.0	9.9
56	Sindh Floods Housing Reconstruction Proj.	6/1/2023	6/30/2027	IDA	500.0	101.1	100.6
57	Sindh Floods Emergency Rehabilitation Proj.	6/1/2023	12/31/2027	IDA	500.0	142.7	142.4
58	Sindh Water & Agriculture Transformation	6/1/2023	12/31/2028	IDA <sub>SUW</sub>	292.0	39.0	38.8
59	Integrated Flood Resilience and Adaptation Program	-	12/31/2028	IDA	213.0	0.0	0.0
60	KP Rural Investment and institutional Support Project		6/30/2029		200.0	0.0	0.0
<b>Total</b>					<b>14853.2</b>	<b>6257.4</b>	<b>2107.6</b>

**Annex-VI**

<b>YEAR WISE ACTUAL DEBT SERVICING OF FOREIGN LOANS &amp; CREDITS FROM JULY-2022 TO JUNE, 2023</b>					
					(US\$ Million)
<b>Public Guarantee</b>	<b>Financing Source</b>	<b>Donor</b>	<b>July-022 to June-023 Dated 31-07-2023.</b>		
			<b>Principal</b>	<b>Interest</b>	<b>Total</b>
Guaranteed	Bilateral	China	410.58	186.83	597.41
	Commercial Banks	Commercial Banks	25.77	20.72	46.49
	Multilateral	E.I. BANK	-	-	-
<b>Guaranteed Total</b>			<b>436.35</b>	<b>207.55</b>	<b>643.90</b>
Non Guaranteed	BILATERAL	Austria	4.29	3.18	7.47
		Belgium	4.67	0.56	5.23
		Canada	14.65	1.77	16.43
		Finland	0.94	0.14	1.08
		France	247.53	61.17	308.70
		Germany	116.52	12.34	128.86
		Italy	3.27	0.22	3.49
		Japan	410.32	62.83	473.15
		Korea	78.78	11.48	90.26
		Norway	2.29	0.21	2.50
		N.I.Bank	7.01	2.52	9.53
		Russia	-	-	-
		Sweden	25.18	3.06	28.24

	Spain	8.39	1.67	10.06
	Switzerland	17.47	0.97	18.44
	USAID	69.92	19.54	89.46
	CCC (USA)	67.10	9.00	76.10
	PL-480	7.72	2.46	10.18
	EXIM BANK	34.47	2.58	37.05
	U.K.	1.18	0.11	1.30
	China	891.55	229.38	1,120.93
	Commitment/ Management Fee	-	8.64	8.64
	LIBYA	-	-	-
	Kuwait	15.44	2.97	18.41
	Saudi Arab	659.25	44.30	703.55
	U.A.E	1.97	0.50	2.47
<b>Bilateral Total</b>		<b>2,689.90</b>	<b>481.62</b>	<b>3,171.52</b>
Bonds	EURO Bonds	1,000.00	610.63	1,610.63
	US DOLLER BOND	-	-	-
<b>Bonds Total</b>		<b>1,000.00</b>	<b>610.63</b>	<b>1,610.63</b>
Commercial Banks	Commercial Banks	5,942.40	455.08	6,397.48
<b>Commercial Banks Total</b>		<b>5,942.40</b>	<b>455.08</b>	<b>6,397.48</b>
SAFE CHINA DEPOSIT	SAFE CHINA DEPOSIT	-	176.07	176.07
<b>SAFE CHINA DEPOSIT TOTAL</b>		<b>-</b>	<b>176.07</b>	<b>176.07</b>
KSA DEPOSIT	KSA DEPOSIT	-	121.33	121.33
<b>KSA DEPOSIT TOTAL</b>		<b>-</b>	<b>121.33</b>	<b>121.33</b>

SAUDI ARABIA TIME DEPOSIT	SAUDI ARABIA TIME DEPOSIT	-	-	-
<b>SAUDI ARABIA TIME DEPOSIT TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>
IMF	IMF LOAN	-	251.34	251.34
<b>IMF Total</b>		<b>-</b>	<b>251.34</b>	<b>251.34</b>
Naya Pakistan Certificates (NPCs) & Islamic NPCs	Naya Pakistan Certificates (NPCs) & Islamic NPCs	1,100.68	57.81	1,158.49
<b>Naya Pakistan Certificates (NPCs) &amp; Islamic NPCs Total</b>		<b>1,100.68</b>	<b>57.81</b>	<b>1,158.49</b>
Multilateral	ADB	870.34	361.37	1,231.71
	AIIB	7.07	47.90	54.97
	Un-Spent Balance	13.88	-	13.88
	IBRD	101.40	79.90	181.30
	IDA	602.79	230.26	833.05
	IFAD	9.01	2.90	11.91
	IDB (LT)	101.26	33.14	134.40
	OPEC	8.86	2.74	11.60
	NORDIC	0.54	0.04	0.58
	E.I. BANK	-	-	-
	E.C.O	-	3.00	3.00
	Exchange Loss	-	-	-
<b>Multilateral Total</b>		<b>1,715.16</b>	<b>761.25</b>	<b>2,476.41</b>
<b>Short Term</b>	<b>IDB (S.T)</b>	<b>1,327.81</b>	<b>44.30</b>	<b>1,372.11</b>
Non-Guaranteed Total		13,775.95	2,959.42	16,735.38
<b>Grand Total</b>		<b>14,212.30</b>	<b>3,166.97</b>	<b>17,379.28</b>