



Government of Pakistan



2023 - 24 YEAR BOOK

Ministry of Economic Affairs

Contents

Foreword	02
Acronyms	03
Functions of Ministry of Economic Affairs	05
BILATERAL DEVELOPMENT PARTNERS	06
China	07
Middle East... ..	11
Japan.....	13
Paris Club (PC).....	15
European Union (EU).....	22
United States of America (USA).....	25
MULTILATERAL ORGANIZATIONS/ DEVELOPMENT PARTNERS.....	28
Asian Development Bank (ADB)	29
Asian Infrastructure Investment Bank (AIIB).....	32
World Bank	34
Islamic Development Bank (IsDB).....	38
OPEC Fund for International Development (OFID).....	39
United Nations (UN)	40
ECONOMIC COOPERATION WITH DEVELOPING COUNTRIES (EC).....	44
Economic Cooperation	45
POLICY ANALYSIS & DEVELOPMENT (PA&D)	52
(PA&D)	53
DEBT MANAGEMENT	57
Debt Servicing.....	58
NON GOVERNMENTAL ORGANIZATIONS (NGOs)	63
NGOs/ Non -Profitable Organizations (NPOs)	64
ADVANCING TOWARDS DIGITAL WORKPLACE	67
E-Office Adoption.....	68
ANNEXURES	70
Annex-I Organogram of MoEA	71
Annex-II Completed loans with Government of China... ..	72
Annex-III Ongoing and Completed Grant Projects.....	73

Foreword



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Secretary
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It gives me great pleasure to present the **Year book 2023-2024** of the Ministry of Economic Affairs (MoEA). This Year book has been prepared in pursuance of sub-rule (2) of Rule 25 of the Rules of Business, 1973 for information of the Cabinet and the general public.

Under the Rules of Business, MoEA 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, MoEA has the prime responsibility of mobilizing foreign funding for the development of the economy, in an efficient and effective manner. Its activities involve, inter alia, effective aid negotiation, signing of the loan/grant agreements, on-lending, disbursements, debt swaps, co-ordination and conducting meetings with development partners like Pakistan Development Forum, Joint Ministerial Commissions and Disbursement Review Meetings, etc.

This handbook will give the readers an insight into working, functions and performance of MoEA during the year 2023-24 and contains information about Foreign Economic Assistance, Debt Management, Economic Cooperation with foreign countries and organizations. In addition, it will provide information on various activities undertaken by various wings of MoEA covering diverse areas and jurisdictions including, World Bank, ADB, Japan, United Nations, China, Paris Club, Economic Cooperation and Debt Management.

I hope that this document will be informative and useful to its readers. It will also be available on our website www.ead.gov.pk.

We would appreciate suggestions/comments and feedback to improve the quality of this book in future.

Islamabad, 2024

Acronyms

MoEA	Ministry of Economic Affairs
ADB	Asian Development Bank
AFD	French Development Agency
AJK	Azad Jammu & Kashmir
APCC	Annual Plan Coordination Committee
BISP	Benazir Income Support Program
BMZ	Federal Ministry for Economic Cooperation and Development (BMZ)
BTASP	Billion Tree Afforestation Support Programme
CARs	Central Asian Republics
CPEC	China-Pakistan Economic Corridor
CPS	Country Partnership Strategy
DM	Debt Management
DMFAS	Debt Management and Financial Analysis System
DPA	Development Partnership Arrangement
EC	Economic Cooperation
ECNEC	Executive Committee of the National Economic Council
EDCF	Economic Development Cooperation Fund
ERRA	Earthquake Reconstruction & Rehabilitation Authority
ETI	Economic Transformation Initiatives
FATA	Federally Administered Tribal Areas
FCDO	Foreign, Commonwealth & Development Office
GoP	Government of Pakistan
G2G	Government to Government
IBRD	International Bank for Reconstruction and Development
INGOs	International Non-Governmental Organizations
IDA	International Development Association
ICR	Institute of Cancer Research
ICSID	International Centre for Settlement of Investment Disputes
IsDB	Islamic Development Bank
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IGC	Inter-Governmental Commission

INL-P	International Narcotics and Law Enforcement-Pakistan
ITFC	International Islamic Trade Finance Corporation
JWG	Joint Working Group
JICA	Japan International Cooperation Agency
JC	Joint Commission
JEC	Joint Economic Committee/ Commission
JMC	Joint Ministerial Commissions
KKH	Karakoram Highway
MDGs	Millennium Development Goals
MIGA	Multilateral Investment Guarantee Agency
MSPKP	Municipal Services Program Khyber Pakhtunkhwa
MOFCOM	Ministry of Finance and Commerce, China
MOU	Memorandum of Understanding
MFF	Multi-tranche Financing Facility
NEC	National Economic Council
NGOs	Non-Governmental Organizations
ODA	Official Development Assistance
OPEC	Organization of the Petroleum Exporting Countries
OCR	Ordinary Capital Resources
PC	Paris Club
PDF	Pakistan Development Forum
PEPA	Pakistan Enhanced Partnership Agreement
PIL	Projects Implementation Letter
PPAF	Pakistan Poverty Alleviation Fund
PRMI	Pakistan Regulatory Modernization Initiative
PTAP	Pakistan Technical Assistance Programme
RMB	Renminbi
SFD	Saudi Fund for Development
SOGA	Strategic Objective Grant Agreement
TDPs	Temporarily Displaced Persons
TEVTA	Technical Education and Vocational Training Authority
UNHCR	United Nations High Commissioner for Refugees
USAID	United States Agency for International Development
WFP	World Food Programme

SECTION 1:

MINISTRY OF ECONOMIC AFFAIRS

1

Ministry of Economic Affairs (MoEA) is the lead ministry 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 MoEA 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 Islamic Development Bank.

BILATERAL DEVELOPMENT PARTNERS



CHINA

Pakistan and China established diplomatic relations on 21st 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 detailed information regarding the engagements with Government of China during FY (2023-24) is as follows:

Pak-China Joint Economic Committee (JEC) is an important bilateral high-level Ministerial forum jointly 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 JEC have taken place. The 16th Session is expected later this year. In anticipation of the 16th session of Pak-China Joint Economic Committee (JEC), two Inter-Ministerial Meetings (IMM) have been held in FY 2023-24 for firming up the agenda for the session.

Xinjiang-Pakistan Economic and Trade Cooperation Working Group (JWG) is also dealt in China Wing, Economic Affairs Division. The Joint Working Group was constituted under an MoU signed between the People's Republic of China & Islamic Republic of Pakistan in 2021. Two sessions of the subject group have been held so far. The 2nd session was held under the umbrella of JEC on 18th September 2023.

China Wing convened the subject meeting with the Chinese counterparts in virtual mode. Four Inter-Ministerial Meetings (IMM) have also been held in this Ministry since then, to follow up the decisions of the subject session.

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). Foreign funds/assistance for various important projects are received through two major sources of funding:

- Bilateral Loans from China through China EXIM Bank
- Bilateral Grants from China through China International Development Cooperation Agency (CIDCA)

In terms of bilateral loans, during FY 2023-24, total loan assistance worth of USD 65.46 million has been received through China EXIM Bank against 03 projects. These projects have also been completed and closed successfully during FY 2023-24 and have a total portfolio of USD 5,830.93 million. Details attached at **(Annex-II)**. Moreover, a loan agreement worth of USD 212.00 million for Pakistan Multi Mission Communication Satellite System (PakSat-MM1) has also been signed with China EXIM Bank during FY 2023-24.

In terms of grants, assistance is received in-kind and there are 6 ongoing projects worth of USD 382.575 million out of which two projects worth of USD 43.58 million have been completed during FY 2023-24 **(Annex-III)**. The following new grant agreements have also been signed during the FY 2023-24:

- i. Letter of Exchange for Poliovirus Vaccines amounting US\$ 10.91 million was signed on 18-10-2023.
- ii. Letter of Exchange on Pre-Feasibility Preparatory Technical Study of USD 100 million Post Flood Rehabilitation Reconstruction project signed on 18-10-2023.
- iii. Memorandum of Understanding between China International Development Cooperation Agency of the People's Republic of China and the Ministry of

- Economic Affairs of the Islamic Republic of Pakistan on Promoting Post-Flood Rehabilitation and Reconstruction signed on 23-04-2024.
- iv. Memorandum of Understanding between China International Development Cooperation Agency of the People's Republic of China and the Ministry of Economic Affairs of the Islamic Republic of Pakistan on the Promotion of China Aid in Information and Communication Technologies signed on 23-04-2024.
 - v. Deploying of New Scanners at Border Terminals amounting US\$ 13.2 million was signed on 07-06-2024.
 - vi. Letter of Exchange (LoE) for Feasibility Study on Sindh Primary School Reconstruction Project amounting US\$ 0.16 million was signed on 07-06-2024.
 - vii. Letter of Exchange (LoE) for Feasibility Study on Lady Health Worker Workstation Project amounting US\$ 0.095 million was signed on 07-06-2024.
 - viii. Exchange of Notes on the Feasibility Study of the Construction Project of the Office of the Pakistan Intelligence Bureau amounting US\$ 0.12 million was signed on 07-06-2024.
 - ix. Memorandum of Understanding between the China International Development Cooperation Agency of the People's Republic of China and the Ministry of Economic Affairs of the Islamic Republic of Pakistan on the Establishment of the Assistance to Balochistan Office 07-06-2024.
 - x. Memorandum of Understanding between the China International Development Cooperation Agency of the People's Republic of China and the Ministry of Economic Affairs of the Islamic Republic of Pakistan on Strengthening Cooperation in Women's Hygiene and Health 07-06-2024.
 - xi. Memorandum of Understanding between the China International Development Cooperation Agency of the People's Republic of China and the Ministry of Economic Affairs of the Islamic Republic of Pakistan on Post-Flood Housing Reconstruction 07-06-2024.
 - xii. Memorandum of Understanding between the China International Development Cooperation Agency of the People's Republic of China and the Ministry of Economic Affairs of the Islamic Republic of Pakistan on Enhancing Security Cooperation 07-06-2024.

- xiii. Handing over Certificate (HOC) of Gwadar Seawater Desalination Project signed on 07-06-2024
- xiv. Handing over Certificate (HOC) Pak China Friendship Gwadar Hospital Project signed on 07-06-2024.
- xv. Letter of Exchange (LoE) for assisting First Aid Center in Quetta Balochistan (RMB 2.21million) Signed on 23-04-2024.
- xvi. Letter of Exchange Bacterial Grass (Juncao) Technology Training and Promotion project (RMB 25.59 million) signed on 07-06-2024.
- xvii. MoU's Bacterial Grass (Juncao) Technology Training and Promotion project signed on 23-04-2024.

In terms of technical assistance, in FY 2023-24, China offered 119 Bilateral & Multilateral Trainings / Seminars and 37 Master and 01 PhD programs and MOFCOM CSC Scholarship. 641 candidates availed the Multilateral and Bilateral Seminar / Training programs and 21 candidates have been approved for Master Degree / PhD program.

Launch of Pak Sat MM1: Under the Pak Sat MM1 Project, Pakistan's Communication Satellite was successfully launched from Xichang Satellite Launch Center, China on May 30, 2024. The Loan Agreement was signed on 21-06-2024 and loan became effective on June 21, 2024.



MIDDLE EAST



Kuwait

The Kuwait Fund for Arab Economic Development (KFAED)

KFAED established in 1961, used to invest its future wealth, generated through oil over the budget, in its Arab neighbours. The investment schemes were extended to developing countries in 1974 following a massive increase in capital through oil exports.

The Fund is entrusted with the management of grants extended by the State of Kuwait and is an arm of the State's foreign policy. KFAED was the first institution in the Middle East to take an active role in international development efforts. The Fund extends grants and loans on concessionary terms to finance development projects in agriculture, irrigation, transport, communications, energy, industry, and the water and sewerage sectors in developing countries.

Current Economic Portfolio

Current portfolio of Kuwait Fund towards Pakistan is worth US\$ 90.50 million for the following three on-going development projects in energy and education sectors: -

- i. Golen Gol Hydropower, Chitral. (US\$ 15.5.00 million)
- ii. Reconstruction of Schools & College in Earthquake Affected Area, AJ&K. (US\$ 50.00 million)
- iii. Mohmand Dam Hydropower Project, (US\$ 25.00 million)



United Arab Emirates (U.A.E)

Abu Dhabi Fund for Development (ADFD)

Abu Dhabi Fund for Development is one of the UAE's leading financial institutions. It was established in 1971 to provide concessional financing for infrastructure projects in developing countries, which would bolster their economy while enabling them to fulfill their sustainable-development agenda.

The Secretary, Ministry of Economic Affairs held series of meetings with the Director General ADFD and senior management to arrange financing for Mohmand Dam Hydropower Project and Diamar Bhasha Dam. The Director General ADFD express their willingness to finance (US\$ 100 m) for the Mohmand Dam Hydropower Project. The loan agreement is likely to be signed in 2025.



JAPAN

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

Grant

During the Fiscal Year (FY) 2023-24, the Government of Japan has provided economic assistance in the shape of grants **amounting to US\$ 17.5 million (Approx.)**. In this regard, Ministry of Economic Affairs successfully negotiated and signed following projects with Government of Japan for grant assistance: -

Table 1: Negotiated & Signed Projects

Projects Name	Signing Date	Amount (JPY Million)	Amount (US\$ Million)
The program for the Reconstruction of Educational Facilities in Flood-Affected Areas in Sindh (Grant)	18.10.2023	794	5.60
The Project for installation of weather surveillance radar at Sukkur (Additional Grant)	04.04.2024	832	5.40
The Project for Extension of Maternal and Child Health Care Facilities in Jamshoro, Sindh (Additional Grant)	04.04.2024	671	4.40
Project for Human Resource Development Scholarship (Grant)	06.06.2024	326	2.10
Total		2623	17.50

Source: Ministry of Economic Affairs

Technical Assistance

Ministry of Economic Affairs solicited proposals from various Ministries/Divisions/Provincial Departments for provision of Technical Assistance by the Government of Japan. After thorough scrutiny, the project proposals were submitted for consideration under Technical Cooperation for the FY 2024. In response, Japanese side approved the following 03 projects:

- i. The Project for Livelihood Improvement through Skills Development program for Afghan Refugees and Host Communities in Khyber Pakhtunkhwa Province.
- ii. The Project for Promoting Protection, Rehabilitation and Economic Empowerment of Gender-Based Violence Survivors.
- iii. The Project for Improvement of Management Capacity of Water Supply Services in the City of Abbottabad is Improved.

Trainings/Scholarship Programs for Capacity Building

The Government of Japan offers scholarships for Doctoral and Master's Degree programs to the eligible government officials to play leadership roles in contributing to socio-economic development of the country. MoEA has processed around 65 Training Programs/scholarships and finalized around 86 government servants/civil servants for the training.

Other Engagements

- **Policy Dialogue with JICA**

JICA and MoEA held a policy dialogue in March 2024 to discuss priority areas for cooperation and finalized the timeline for technical assistance projects.

- **Portfolio Review Meetings**

Portfolio review meetings to discuss issues and bottlenecks faced by the JICA funded projects have been held regularly on a quarterly basis during the year 2023-24. The meetings have contributed to the 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 had 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:



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 Activities during 2023-24

Extension of MoU between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Islamic Republic of Pakistan on the status and operations of the British Council in Pakistan dated 22nd April, 2024.

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.



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 seven on-going projects and seven 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 14th July, 2005, for expansion of bilateral co-operation in the economic and commercial fields.

Main Development Activities During 2023-24

The CDWP approved the project of Technical and Vocational Education and Training (TVET) at a cost of Rs. 6,300.00 (€ 20 million) from the Italian Government as a soft loan for 42 months on 22.05.2024.



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 Consultations were held in Pakistan and last session was held in 22-02-2018. SDC phased

out its development program from Pakistan in 2019.



Pakistan has been a recipient of German Development Assistance since the founding of German Federal Ministry for Economic Cooperation and Development (BMZ) in 1961. Since 1961 the total development assistance encompassing both technical and financial cooperation 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 on 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.

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 26 Financial Cooperation (FC) projects with total commitments of € 452.540 million and 13 Technical Cooperation (TC) projects with total commitments of € 113.309 million.

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. The last negotiations on development cooperation were held in Berlin on May 8-9, 2023, wherein 16 projects amounting to € 163.3 million were agreed to be funded by BMZ.

16 projects amounting to € **163.3** million were agreed in G2G Negotiations on 9th May, 2023 in Berlin. Out of which 7 projects amounting to € **45.5** million are in the implementation phase. Remaining projects are in different phases of inception, preparation and appraisal which are as follows:

Project Name	Amount (€ million)
Green Infrastructure Guarantee Facility	30.00
Supporting Resilient Environments (SURE)	40.00
Upscaling Energy Transition in cities in Pakistan (REEE-SCALE II)	2.00
Social Health Protection IV	15.00
Promotion of Start-ups – Phase II	10.00
Support of the Technical and Vocational Education and Training Sector in Pakistan	8.00
Participatory Local Governance	3.00
Social support for vulnerable Afghan refugees and host communities (SSARC)	6.80
Strengthening education and health services for refugees and host communities (EHS)	3.00
Total	117.80

Source: Ministry of Economic Affairs

Pakistan - Germany Financing Agreements

In 2023-24, Pakistan and Germany signed following Financial Agreements:

Sr.#	Donor	Type (Loan/Grant)	Project/Agreement Name	Date of Signing	Amount (€ million)
1	KfW- Germany	Grant	Start ups	19.07.2023	10.00
2	KfW- Germany	Grant	German Contribution to Pakistan Recovery, Rehabilitation, and Reconstruction Framework (4RF)	12.12.2023	12.00
3	GIZ (Germany)	Grant	Technical Cooperation Agreement-TC-2023	06.02.2024	45.00
4	KfW- Germany	Grant	Digital Governance	27.06.2024	16.00
	Total				83.00

Source: Ministry of Economic Affairs



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: -

S.#	Portfolio	Number of Projects	Amount (€ million)
1	Ongoing projects	14	786.01
2	Projects in Pipeline	12	653.55
	Total	26	1439.56

Source: Ministry of Economic Affairs

AFD has been involved in development activities in Pakistan since 2007. In 2023-24, the total portfolio of AFD funded projects amounted to € 786.01 million (as soft loan amount € 780.51m and grant amount € 5.5 m), out of which € 786.01 M is reserved for ongoing and € 653.55 million is for project in the pipeline. There is a total of twenty-six (26) projects (14 ongoing and 12 pipeline project). The total disbursement under the AFD portfolio in 2023-2024 stood at € 132.30 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 Area of Cooperation

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



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

9th Session of Pak-Russia Inter Governmental Commission (IGC) is expected to be held in Russia in 2024.

Future Area of Cooperation

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



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 off budget.

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 has good expertise in hydropower and can extend cooperation to Pakistan in this sector.



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.



European Union

Development Cooperation with EU goes back to year 1976. However, EU-Pakistan relations are redefined by the Strategic Engagement Plan (SEP) signed between two sides in 2019 with broader dimensions identified for Bilateral Cooperation. 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 € 1.9 billion till now including development 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 bilateral trade, promoting direct investment, supporting institution building, and defending human rights, including the implementation of international labour standards.

The EU also supports the Government of Pakistan ongoing economic reform agenda in consultation with the international financial institutions. In addition, the EU is planning to expand its cooperation in energy sector.

MIP 2014-2020

The MoU of Multi Indicative Programme (MIP) 2014-2020 for Pakistan amounting to **€ 653 million** was signed on 15th December, 2015.

MIP 2021-2027

European Union has informed that the MIP 2021-2027 was formally adopted by EU in December, 2021. EU and Pakistan have signed the Multi Indicative Programme (2021-27) for Pakistan amounting to € 265 million.

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.

Overview of the Portfolio

Currently, the EU has 21 on-going projects and 26 Non-G2G projects which are being implemented through different NGOs, INGOs and UN agencies.

Pakistan - EU Financing Agreements

Following projects have recently been signed under AAP 2023:

Sr. No.	Project Name	Signing Date	Amount Committed (€ million)
i	Post-Flood Rural Economic Recovery of Green Productive Assets in Khyber Pakhtunkhwa	29/01/2024	50.00
ii	Post-floods Resilient Recovery and Strengthening of the Livestock Sector in Balochistan	29/01/2024	32.00
iii	Promotion of Human Rights in Pakistan (Phase II) / Hamaray Huqooq (our Rights)	29/01/2024	10.00
iv	Women Participation and Leadership in Governance and Democratic Processes in Pakistan	29/01/2024	5.00
v	Support to Civil Society in Pakistan (SCSP)	29/01/2024	3.00
Total			100.00

Source: Ministry of Economic Affairs

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 12th Session of Pak-EU JC was held in Pakistan on 5th October, 2022 and 13th Session was held in Brussels, Belgium from June 20-23, 2023. 14th Session of Pak-EU Joint Commission will be held in November 19-21, 2024, in Islamabad.

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 EU 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. The Mid-term Review Meeting on MIP 2021-2027 was held on 31st August, 2023.



UNITED STATES OF AMERICA (USA)

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, ERRP, 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. The US Government has been providing economic assistance in different sectors like energy, economic growth, resilience, education, health and Narcotics Control.

USA –USAID

- Amendment No. 01 to the Project Implementation Letter No. 30 under the Amended and Restated Activity Agreement # 391-014 for the Khyber Pakhtunkhwa Reconstruction Program signed on 10th July 2023.
- Amendment No. 01 to the Project Implementation Letter No. 36 under the Amended and Restated Activity Agreement # 391-014 for the Khyber Pakhtunkhwa Reconstruction Program signed on 10th July 2023.
- Amendment No. 8 to the activity agreement 391-PEPA-SBEP for the Sindh Basic Education Program signed on 18th July, 2023
- Amendment No. 07 to the Amended and Restated Activity Agreement number 391-PEPA-DDG-S-MSP-2011-01 the Municipal Services Delivery Program (MSDP-Sindh).
Amendment No. 2 to the Implementation Letter (IL) 08 under (MSDP-Sindh).
Amendment No. 1 to the Implementation Letter (IL) 09 under (MSDP-Sindh).
Amendment No. 1 to the Implementation Letter (IL) 10 under (MSDP-Sindh).
Amendment No. 2 to the Implementation Letter (IL) 11 under (MSDP-Sindh) signed on 05th September, 2023.

- Amendment No. 03 to the Activity Agreement No. 391-PEPA-ENR-KTD-00 and Amendment No. 03 Project Implementation letter (PIL) for the Kaitu Weir and Affiliated power and irrigation components (Stage -1Kurram Tangi Dam) signed on 5th October, 2023.
- Amendment no. 04 to the activity agreement for the Gomal Zam Dam Command Area Development Project in Khyber Pakhtunkhwa signed on 01stJanuary, 2024.
- Amendment no. 02 to the implementation letter number one (il-001) no. 391-DOA-GZCADP-001-001 for the Gomal Zam Dam Command Area Development Project in Khyber Pakhtunkhwa signed on 01stJanuary, 2024.
- Project Implementation Letter 2 (PIL 2) Amendment No. 3 under Activity Agreement 391-PEPA-ENR-MANGLA-00 for the Mangla Dam Rehabilitation Project signed on 24thJanuary 2024
- Amendment no. 05 to the activity agreement for the USAID-funded merit and need-based scholarship program (MNBSP) signed on 08th May, 2024.
- Project implementation letter no. 07 under activity agreement 391-G-00-04-01023-12 for the Merit and Needs Based Scholarship Program (MNBSP) signed on 08th May, 2024.
- Amendment no. 04 to the activity agreement no. 391-PEPA-ENR-KTD-00 and Amendment no. 04 Project Implementation Letter (PIL) 391-WPD-KTD-002-001-001 under activity agreement # 391-PEPA-ENR-KTD-00 for the Kurram Tangi Dam stage-1: Kaitu weir and affiliated power and irrigation components signed on 10th May, 2024.
- Amendment no. 05 to the activity agreement no. 391-PEPA-ENR-MANGLA-00, Amendment no. 04 to the project implementation letter no. 01, and Amendment no. 04 to the Project Implementation Letter No. 2 for the Mangla Dam Rehabilitation Project signed on 09th May, 2024
- Amendment no. 02 to the Project Implementation Letter no. 28 for the Khyber Pakhtunkhwa reconstruction program signed on 11thJune 2024
- Amendment no. 01 to the Project Implementation Letter no. 32 for the Khyber Pakhtunkhwa reconstruction program signed on 11thJune 2024
- Amendment no. 01 to the Project Implementation Letter no. 35 for the Khyber Pakhtunkhwa reconstruction program signed on 11thJune 2024
- Amendment number sixteen (16) to the amended and restated activity agreement no. 391-013 for the Fata Infrastructure Program signed on 24-06-2024.

USA-International Narcotics and Law Enforce-Pakistan (INL-P)

- During FY 2023-24, Ministry of Economic Affairs has acknowledged/signed five (05) Project Implementation letters with INL-P, US Embassy Islamabad amounting to US\$ 3.28 million.
- During the period (2023-24) Ministry of Economic Affairs has signed the amendment/revision no. 79 of LoA, 1982. 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.



AUSTRALIA

During 2023-24, Ministry of Economic Affairs has signed amendment of 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 and no government funding is involved. Furthermore, this project is being implemented under Australian Centre for International Agricultural Research (ACIAR), main agency for Australia Cooperation with Pakistan in the field of agriculture.



CANADA (Global Affairs, 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 07 Bilateral Projects amounting to CAD \$ 91.9 million in which an amount of CAD \$ 76.93 has been disbursed.
- Government of Canada has disbursed CAD \$ 2.1 million Humanitarian Assistance for Pakistan during 2023-2024 through various International Organizations.
- Government of Canada has also committed CAD \$ 25 million Flood assistance in Pakistan.

MULTILATERAL ORGANIZATIONS/ DEVELOPMENT PARTNERS

ADB

Asian Development Bank

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\$ 3.1 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 **US\$ 31.76 billion** under loans & grants for priority areas, including economic reforms, energy, road & transport, agriculture & water, and social sector.

Cumulative Commitment since 1966

ADB is one of the largest development partners of Pakistan. Since 1966, the Bank has committed over **US\$ 41.4 billion** under loans, grants and technical assistance. Out of this committed amount, ADB has disbursed **US\$ 31.76 billion** to Pakistan under loans & grants for key priority areas including energy, road & transport, agriculture & water, social sector, and economic reforms

Sector	No.	Amount (US\$ Million)	% Share
Agriculture, Natural Resources & Rural Dev	174	4,599.14	11%
Education	37	961.26	2 %
Energy	142	9,820.29	24 %
Finance	97	4,024.89	10 %
Health	34	1,396.41	3 %
Industry & Trade	42	1,868.15	5 %
Information and Communication Technology	2	2.49	0 %
Multisector	29	1,698.70	4 %
Public Sector Management	98	8,800.28	21 %
Transport	86	6,546.04	16 %
Water & Other Urban Infrast. & Services	58	1635.57	4 %
Total	799	41,353.22	100%

Source: Ministry of Economic Affairs

Ongoing Portfolio

ADB's active¹ sovereign loan portfolio in Pakistan amounts to **US\$ 8.69 billion** (project lending **US\$ 8.04 billion** and program lending **US\$ 0.65 billion**). The total portfolio includes **US\$ 6,223 million (72%)** under OCR² lending, **US\$ 2,371 million (27%)** under COL³ and **US\$ 97 million (1%)** under grants.

The ongoing portfolio comprises **45 projects (53 loans and 17 grants) (US\$ 8,041 million)** and **3 policy-based lending (PBL) (US\$ 650 million)**. This total amount has been committed in the areas of Energy, Transport, Agriculture, Food, Nature and Rural Development (AFNR), Water & Urban Development (WUD), Public Sector Management and Governance (PSMG)⁴, Finance and, Human and Social Development (HSD). 2 projects (\$634.82 million) have been completed and their financial closure is in progress. Similarly, 2 loans (\$63.10 million) in the ongoing projects have also been completed financially closed.

Project Disbursement Trends

Fiscal Year	Disbursement (US\$ Million)		
	Project Financing	Program Financing	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	1,008.01	600.00	1,608.01
2017 - 18	1,018.00	-	1,018.00
2018 - 19	541.00	-	541.00
2019 - 20	543.00	2,300.00	2,843.00
2020 - 21	769.00	600.00	1,369.00
2021 - 22	1,027.00	600.00	1,627.00
2022 - 23	812.00	1,500.00	2,312.00
2023 - 24	752.50	650.00	1,402.50
2024 - 25 B.E.	803.00	800.00	1,603.00

Source: Ministry of Economic Affairs

¹ Includes investment and program loans (ongoing, completed but awaiting financial closing, signed but not yet effective projects)

² OCR: Market based Ordinary Capital Resources lending- Interest rate of 6 months SOFR + 0.50 %, 0.15% commitment charges and 20 years re-payment

³ COL: Concessional OCR lending-2% interest rate with no commitment charges and re-payment of 20 years

⁴ Includes project loans, project grants, special assistance grants, results-based lending (RBL) and policy based countercyclical support. Scope includes reforms of state-owned enterprises, decentralization, legal reforms, social protection, etc.

Ongoing Technical Assistance (TA) Portfolio

Pakistan's active TA portfolio totals **US\$ 62.32 million** and comprises **32 TA** projects. The 32 active TAs comprises 9 Knowledge Support TAs (KSTA) worth **US\$ 15.03 million** and 23 Transaction TAs (TRTA) worth **US\$ 47.29 million**.

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

Sector	No. of TAs	% Financial Share
Public Sector Management (PSM)	10	19%
AFNR	7	29%
WUD	3	15%
Energy	3	12%
HSD	4	8%
Finance	3	8%
Transport	2	9%
Total	32	100%

Source: Ministry of Economic Affairs

Funding Modalities

Sr.#	Types of Funding
1.	Program Lending (Budgetary Support / Development Policy Credit)
2.	Project Loans (Standalone/MFF/RBL/PRF)
3.	Technical Assistance (Grant)
4.	Co-financing (Loans / Grants)
5.	Special Policy-Based Lending and Countercyclical Support Fund

Source: Ministry of Economic Affairs



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 began operations in 2016 with 57 founding Members (37 regional and 20 non-regional). By the end of 2020, approved Members were 103 representing approximately 79 percent of the global population and 65 percent of global GDP. Presently, AIIB has 110 members and is open for considering additional members. Each member country is represented in Board of Governor 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. Pakistan is a member of Constituency 2, which comprises- Pakistan, Azerbaijan, Brunei Darussalam, Georgia, Kyrgyz Republic and Turkiye. AIIB has been a major development partner of Pakistan since its inception. It works with the government of Pakistan to develop and finance programs that are in line with AIIB's mission "Financing Infrastructure for Tomorrow". In terms of multilateral loans, there are seven ongoing AIIB funded projects in Pakistan worth of USD 1,117.5 million against which disbursement amounting to USD 103.538 million has been received during FY 2023-24. Resilient Institution for sustainable Economy (RISE-II) a PBL Project worth of USD 250 million was also signed and disbursed during FY 2023-24.

Ongoing AIIB Portfolio

(US\$ Million)

Sr.#	Project Name	Signing Date Closing Date	Financing	Disbursement received in FY 2023-24	Total Disbursement
i.	Tarbela 5 th Ext. Hydropower Plant	18.01.17 30.06.25	300.00	51.67	120.80
ii.	Karachi Water & Sewerage Service Improvement Project Phase-I	11.12.19 30.06.25	40.00	7.5	26.07
iii.	Karachi Waste Water & Sewerage Service Improvement Project Phase-II (Grant)	02.12.2020 30.06.2023 Extended upto 31.12.2023	4.14	0.43	4.14
iv.	Karachi BRT Red Line	24.02.21 30.06.26	71.80	4.73	9.12
v.	Balakot Hydropower Project	27.09.2021 30.09.2028	250.00	8.12	13.96
vi.	KP Cities Improvement Project	11.04.2022 30.06.2028	200.00	30.21	41.99
vii.	Lahore Waste Water Project Preparatory Advance	07.09.2022 07.03.2024 Extended upto 07.03.2025	1.60	0.87	1.27
	Total		867.54	103.53	217.35

Source: Ministry of Economic Affairs



THE WORLD BANK

The World Bank Wing 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).

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 of 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.

During FY 2023-24, the Bank’s supported portfolio in Pakistan disbursed an unprecedented equivalent of US\$2.25 billion, including US\$350 million from the Second Resilient Institutions for Sustainable Economy (RISE-II) Development Policy Financing. This represents the highest disbursement historically and is reflective of important and much-needed results on the ground. Excluding RISE-II budget support and the emergency cash transfers disbursed following the 2022 floods, disbursements under the standard IPF and P4R portfolio in FY 2024 have even exceeded those of FY 2023, which was already a record year.

Besides, Ministry of Economic Affairs (MoEA) has signed ten (10) financing agreements with the World Bank during FY 2023-24, having total funding volume of US\$ 2.882 million, to support the following development projects/programs in Pakistan.

- **“Integrated Flood Resilience and Adaptation Project (IFRAP)”** worth US\$ 213.0 million was signed with the World Bank on 03.07.2023. The objective of the Project is to improve livelihoods and essential services and enhance flood risk protection in selected communities affected by the 2022 floods in Balochistan.
- **“Khyber Pakhtunkhwa Rural Investment & Institutional Support Project (KPRIISP)”** worth US\$ 200.0 million was signed with the World Bank on 24.7.2023.

The objectives of the Project are to strengthen state capabilities for delivery of basic services and climate resilient infrastructure in the Project Areas, including for the poor and vulnerable.

- **“Second Additional Financing for the Sindh Barrages Improvement Project (SBIP)”** worth US\$ 71.7 million was signed with the World Bank on 03.04.2024. The objective of the Project is to strengthen the Sindh Irrigation Department's capacity to operate and manage barrages and improve the reliability and safety of Guddu and Sukkur Barrages in the Province of Sindh.
- **“Digital Economy Enhancement Project (DEEP)”** worth US\$ 78.0 million was signed with the World Bank on 04.04.2024 with the objective to enhance the GoP's capacity for digitally enabling public service delivery for citizens and businesses.
- **“Second Resilient Institutions for Sustainable Economy (RISE-II)”** worth US\$ 350.0 million was signed with the World Bank on 19.12.2023. The program's development objectives are: (i) enhancing the policy and institutional framework to improve fiscal management, and (ii) improving the regulatory framework to foster growth and competitiveness.
- **“Additional Financing for Crisis-Resilient Social Protection Program”** worth US\$ 400.0 million was signed with the World Bank on 25.06.2024 with the objectives to support the development of a more adaptive social protection system that will contribute to any future crisis-resilience among poor and vulnerable households.
- **“Khyber Pakhtunkhwa Citizen Centered Service Delivery Project”** worth US\$ 50.0 million was signed with the World Bank on 19.07.2023 with the objectives to promote access to child health services and enhance citizen-centered service delivery in selected districts of Khyber Pakhtunkhwa Province.
- **“Punjab Family Planning Program”** worth US\$ 100.0 million was signed with the World Bank on 20.09.2023 with the objectives to increase utilization of effective quality family planning services in Punjab.
- **“Khyber Pakhtunkhwa Rural Investment and Institutional Support Project”** worth US\$ 200.0 million was signed with the World Bank on 24.07.2023 with the objectives to strengthen state capabilities for delivery of basic services and climate resilient infrastructure in project areas, including for the poor and vulnerable.

Negotiated Projects

- **“Second Additional Financing for Dasu Hydropower Stage-I Project”** worth US\$ 1000.0 million was negotiated with the World Bank on 29.04.2024. The objective of the project is to facilitate the expansion of electricity supply of hydropower in Pakistan.
- **“Sindh Livestock and Aquaculture Sectors Transformation Project”** worth US\$ 135.0 million was negotiated with the World Bank on 16.05.2024. The objective of the project is to promote climate-smart and competitive small and medium producers in the livestock and aquaculture sectors in Sindh.
- **“Getting Results: Access and Delivery of Quality Education Services in Punjab (GRADES)”** worth US\$ 150.0 million was negotiated with the World Bank on 14.05.2024 with the objective to increase girls’ and boys’ participation rates in pre-primary and primary grades and enhance reading proficiency in primary grades.

The World Bank’s commitments for ongoing projects in Pakistan remained around US\$ 15.626 billion. The World Bank disbursed an amount of US\$ 2240.5 million during FY 2023-24 under its ongoing projects/programs in the country. Pakistan paid contribution of (US\$ 3.5641million toward IDA-18 Replenishment), (US\$ 4.3489 million toward IDA-19 Replenishment), (US\$ 4.293 million toward IDA-20 Replenishment), (US\$ 9.305 million toward IBRD General and Selective Capital Increase) and (US\$ 7.902 million toward IFC General Capital Increase) during FY 2023-24.

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)

International Fund for Agriculture 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\$ 42.805 million under its ongoing projects during FY 2023-24. Pakistan has paid US\$ 2.629 million toward 12th Replenishment of IFAD during FY 2023-24.



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

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 2023-24 for Pakistan was US\$ 565.26 million, out of which an amount of US\$ 68.466 million has been disbursed as of June 30th, 2024 other than US\$250 million disbursed by the ITFC through syndicate and direct financing.

IsDB pledged support worth US\$ 600 million for various projects at the Geneva Conference in January 2023, out of which \$420 million have been allocated to projects (upto June 30th, 2024) and projects for another amount of US \$180 million are under negotiations. Country Engagement Framework for 2023-2025 is under implementation with IsDB comprising of projects worth over \$900 million, in various stages of approval.

International Islamic Trade Finance Corporation (ITFC)

On the successful completion of the 4th Framework Agreement (2021-2023), a new Framework Agreement was signed with ITFC on April 29th, 2024. Under the new Framework agreement ITFC will make its best efforts to mobilize financial resources amounting to US\$ 3 billion during the coming three years 2024-2026. In 2023-24, the following agreements were signed with ITFC:

(US\$ Million)				
Sr.#	Project/ Operation No.	Signing Date	Commitment	Disbursement
1.	Pak-0210	04-07-2023	100.00	100.00
2.	Pak-0211	27-12-2023	100.00	100.00
3.	Pak-0213	12-06-2024	50.00	50.00
Total			250.00	250.00

Source: Ministry of Economic Affairs

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\$ 72 million, comprising of the OPEC Fund loan for financing the construction of the Mohmand Dam and as of June 30, 2024, disbursements of US\$ 29.11 million have been received.



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.

Meetings with International Development Partners

- The meeting of the Donor Coordination Committee (DCC) was held on 20th November, 2023 at MoEA. This was introductory meeting with the International Development Partners to discuss current development issues which was chaired by the Federal Minister for Finance, Revenue & Economic Affairs.
- A meeting with the Development Partners was held on 27th November, 2023 at Ministry of Economic Affairs on Debt Management Issues. The meeting was chaired by Federal Minister for Finance, Revenue & Economic Affairs.
- The meeting of the Donor Coordination Committee (DCC) held on Tuesday, 2nd April, 2024 at MoEA. The agenda of the meeting was Geneva One Year Plus, Update on NGO Sector and briefing by Ministry of Finance. The meeting was chaired by Secretary, MoEA.
- The meeting of IPSG was held on 4th June, 2024 which was chaired by the Federal Minister for Economic and attended by various international development partners.

Endorsement of MoUs, IP Agreements and AWP of UN Agencies

- MoEA shared its views and comments on the Letter of Intent (LOI) between Prime Minister's Youth Program and UNICEF-Generation Unlimited on 19th February, 2024 to Prime Minister Office, Islamabad.
- MoEA endorsed the Implementing Partner (IP) Agreement between Social Welfare & Bait-ul-Maal (SW&BM) Department, Government of Punjab and the United Nations Population Fund (UNFPA) on 26th June, 2024. IP Agreement between both parties was shared by Planning and Development Board, Government of Punjab for the endorsement of MoEA.

- MoEA conveyed its endorsement for the UNFPA's Annual Work Plan (AWP) for the Year-2024. The AWP shared by UNFPA was aligned with 10th Country Program Document (CPD) 2023-2027 and United Nations Sustainable Development Cooperation Framework (UNSDCF) 2023-2027.
- MoEA conveyed its endorsement on 26th June, 2024 to UNDP regarding extension of UNDP's Project "Scaling Up of the Glacial Lake Outburst Flood Risk Reduction (GLOF-II)" till 31st December, 2025 from its former closing date of 11th January, 2025. MoEA also conveyed its concurrence for the Annual Work Plan 2024 and 2025.
- Ministry of Economic Affairs conveyed its concurrence to the Memorandum of Understanding (MoU) signed between, Government of Punjab and World Food Programme.
- Ministry of Economic Affairs gives its concurrence to the "Preparation of the Fourth National Biosafety Reports to the Cartagena Protocol" to Ministry of Climate Change.

Meeting at Various Forums attended by UN Wing

- The meeting of the Local Project Appraisal Committee (LPAC) of UNDP Project "Combating Climate Change through the Promotion and Application of Sustainable Biomass Energy Technologies in Pakistan (PASBET)" was held on 17th August, 2023. In the meeting it was informed that PASBET project is going to start with an object of providing technical assistance to the Government of Pakistan in the widespread application of sustainable biomass energy technologies for supporting socio-economic development and reducing Green-House Gas (GHG) from the rural sector across the country.
- MoEA attended the 4th Meeting of the Committee constituted by SIFC on Carbon Credits/Trading held on 17th November, 2023. In the meeting the draft Pakistan Policy Guideline for Trading in Carbon Markets was reviewed.
- In the 5th Meeting of Apex-Committee of the Special Investment Facilitation Council (SIFC) held on 1st October, 2023, MoEA was tasked to present plan for assessing climate finance to the Executive Committee. Accordingly, MoEA coordinate with Ministry of Planning, Development and Special Initiatives and Ministry of Climate Change and Environmental Coordination to share data on Climate Financing Instruments and Plan for Accessing Climate Finance.

- The 8th Meeting of Green Climate Fund (GCF) Board of Directors (BODs) on 30th April, 2024 at Ministry of Climate Change and Environmental Adaptation which was attended by MoEA.
- The meeting of the National Steering Committee (NSC) of Global Environment Facility (GEF) was held on 8th May, 2024 at Ministry of Climate Change and Environmental Adaptation which was attended by MoEA.
- The meeting of 9th Project Steering Committee (PSC) of UNDP Project “Scaling Up of the Glacial Lake Outburst Flood Risk Reduction (GLOF-II)” project was held on 1st February, 2024 at Ministry of Climate Change and Environmental Coordination (MoCC&EC). In the meeting, the progress on the Annual Work Plan 2023 was reviewed and presentation on the AWP 2024 was also given.

Miscellaneous Achievements

- In response to seek technical assistance from UNICEF through under a Rolling Work Plan (RWP) by Benazir Income Support Program (BISP), MoEA conveyed (10-07-2023) that the RWP may be implemented between BISP and UNICEF without negotiation/signing of a separate MOU/Agreement, if the activities of work plan are undertaken and financed within the indicative budget of UNICEF’s Country Program Document (CPD) 2023-27.
- UN Wing submitted reply on the subject matter of “Gathering Information on Opportunities for Foreign Investment/Economic Cooperation in Pakistan to be Handout during Call-Ons with Minister/Secretary, MoEA (23rd November, 2023)
- MoEA submitted the reply on 29th May, 2024 against the questionnaires floated by Ministry of Human Rights on the list of issues adopted by UN Committee on Economic, Social and Cultural Rights with respect to Pakistan’s Second Periodic Report on International Covenant on Economic, Social and Cultural Rights (ICESCR) on issues including right to freely dispose of natural wealth and resources, non-discrimination, equal rights of men and women, right to work, right to just and favorable conditions of work, trade union rights among other.
- MoEA submitted reply on the concept note/proposal on “Enhancing Green Exports Through Green Financing” for seeking USD 615 from the Green Climate Fund that the matter may be taken with the GCF Board as MoEA is only a member of BODs.

- The meeting of the Strategic Forum for follow up on International Donors Conference was held on 25th January, 2024 at Ministry of National Health Services, Regulation & Coordination. The purpose of the meeting was to realize the aforesaid commitments and assure the donor community that the funds/grants provided by them are being utilized judiciously and effectively and in accordance with the shared priorities of donor and national development priorities under Strategic Forum.
- UNICEF shared Policy Brief on Tax Reforms on Menstrual Health and Hygiene Products in Pakistan for views and comments of MoEA. After analyzing the Policy Brief, MoEA shared its stance (03-11-2023) on tax matters related to UN Agencies.
- A Joint UN-Government Oversight Committee (OC) has been established at Federal/National level and Provincial Steering Committees (PSCs) at Provincial/Regional under United Nations Sustainable Development Cooperation Framework (UNSDCF) to provide strategic oversight and direction to the activities under UNDSDCF.

Capacity Development of Government Officers

- Total 739 officers were nominated against 264 foreign training courses offered by various Development Partners under Technical Assistance Programs (TAPs) for Pakistan capacity building of the Government Officers during the FY 2023-24.
- In addition, MoEA coordinated and processed (153) (30th June, 2024) trainings under United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP).

ECONOMIC COOPERATION WITH DEVELOPING COUNTRIES



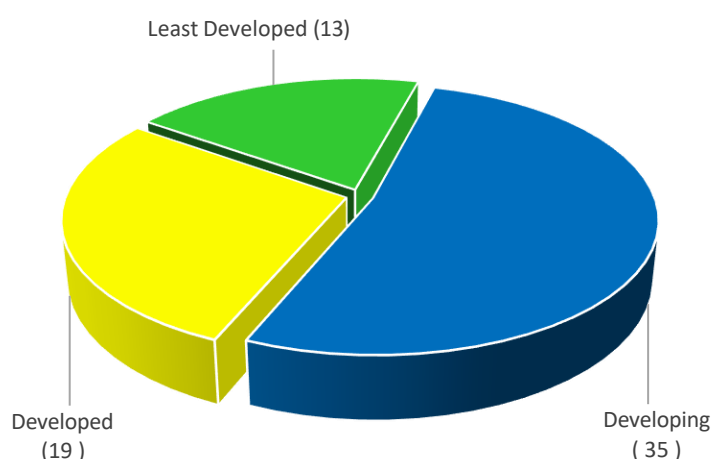
ECONOMIC COOPERATION WING

Economic Cooperation Wing (EC Wing) 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.

Distribution of Joint Commissions (JCs)

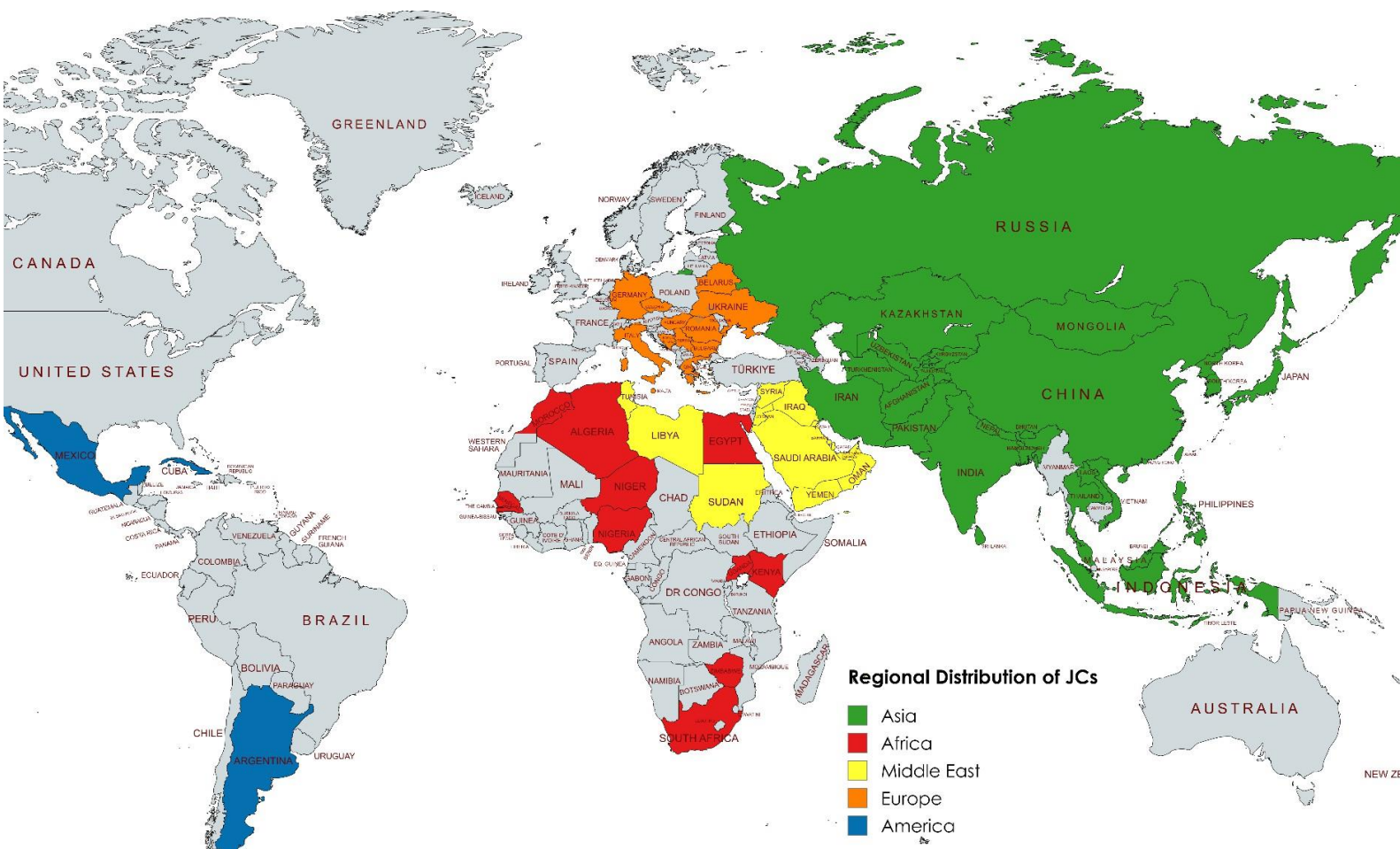
Out of total 67 JCs established by Pakistan, 35 JCs are with developing countries, 19 with developed countries and remaining 13 with least developed countries (see Figure 1). In terms of geographical distribution, 12 JCs are with Central & East Asian countries, 15 with Middle East countries, 16 with European countries, 15 with African countries, 06 with South Asian countries and 03 JCs with Latin American Countries (see Figure 2)

Figure 1: Distribution of JCs by Development Status



Source: Ministry of Economic Affairs

Figure 2: Regional Distribution of Joint Commissions



Source: Ministry of Economic Affairs

Achievements of Economic Cooperation Wing FY 2023-24

➤ JMCs/JECs/IGCs/JCs held

The details of its activities, achievements and progress during the preceding financial year are given below:

- 5th Session of Pak-Kuwait Joint Ministerial Commission was held on 28-30 May, 2024 in Kuwait.
- 4th Session of Pakistan-Kyrgyzstan Inter Governmental Commission (IGC) was held on 10th November, 2023 at Bishkek, Tajikistan.
- Agreed Protocol of Bilateral Economic Consultation between Islamic Republic of Iran and Islamic Republic of Pakistan signed on 3rd August, 2023.

➤ **Financing Agreements**

- A loan agreement for Mohmand Dam Hydropower Project amounting to US\$ 25 million was signed on 3rd June, 2024 between Government of Pakistan and Kuwait Fund for Arab Economic Development.
- Following 02 projects were signed during visit of CEO, SFD in March 2024
 - i. Shounter Hydropower Project amounting to US \$ 66.00 million
 - ii. 22 MV Jagran IV Hydropower Project amounting to US \$ 35.00 million

➤ **MOUs/Agreements signed during visit of Iranian President to Pakistan on 22-24 April, 2024**

- i. MoU for Joint Cooperation on Establishment of a Joint Free Trade Zone /Special Economic Zone between the Government of the Islamic Republic of Iran and the Government of Pakistan is signed during the visit of Iranian President to Pakistan on 22-24 April, 2024.
- ii. Agreement between the Islamic Republic of Iran and the Islamic Republic of Pakistan for Cooperation in the field of Veterinary and Animal Health is signed during the visit of Iranian President to Pakistan on 22-24 April, 2024.
- iii. MoU on Cooperation between the Ministry of Cooperatives, Labour, and Social Welfare of the Islamic Republic of Iran and the Ministry of Overseas Pakistanis and Human Resource Development of the Islamic Republic of Pakistan is signed during the visit of Iranian President to Pakistan on 22-24 April, 2024.
- iv. MoU for Film Exchanges and Cooperation between Iranian Organization of Cinema and Audiovisual Affairs of the Islamic Republic of Iran and Ministry of Information and Broadcasting of the Islamic Republic of Pakistan is signed during the visit of Iranian President to Pakistan on 22-24 April, 2024.
- v. MoU on Mutual Recognition between Iran National Standards Organization (INSO) Islamic Republic of Iran and Pakistan Standards and Quality Control Authority (PSQCA) Ministry of Science & Technology Islamic Republic of Pakistan is signed during the visit of Iranian President to Pakistan on 22-24 April, 2024.

- vi. Agreement on Judicial Assistance in Civil Matters between the Islamic Republic of Iran and the Islamic Republic of Pakistan is signed during the visit of Iranian President to Pakistan on 22-24 April, 2024.
- vii. MoU between the Ministry of Justice of Islamic Republic of Iran and the Ministry of Law and Justice of the Government of Islamic Republic of Pakistan on Mutual Legal Cooperation is signed during the visit of Iranian President to Pakistan on 22-24 April, 2024.
- viii. Memorandum of Understanding on Five Year Strategic Trade Cooperation Plan between Islamic Republic of Iran and Islamic Republic of Pakistan 2023-2028 signed in August, 2023.

Bilateral Discussions with Saudi Fund for Development

In Financial Year 2023-24, two (02) Portfolio Review Meetings with Saudi Fund for Development were held on 31.07.2023 and 12.12.2023, to discuss progress of the on-going projects as well as priority/ pipeline projects for streamlining of the project activities and for removing bottlenecks hampering the pace of the activities. These review meetings proved very helpful in removing bottlenecks particularly in grant projects viz. “Construction of King Salman Bin Abdul Aziz Hospital Tarlai Islamabad” and “Establishment of Home Economics College at F-11, Islamabad”. Decisions taken in these review meeting resulted in enabling signing of 02 hydropower projects during SFD’s CEO visit to Pakistan in March 2024. Besides this, codal formalities for signing of two projects viz. “Gravity Flow Water Supply Scheme Mansehra” and Muzaffarabad – Abbottabad Roaj Project” have been completed and these projects are likely to be signed in next high-level visit of SFD delegation to Pakistan.

➤ Project Activities

- Note Verbal/Letter of Exchange between Islamic Republic of Pakistan and Republic of Korea regarding Strengthening of Pak-Korea Technical Textile Centre (2nd Phase), National Textile University, Faisalabad” Project signed on 14th November, 2023 amounting USD 7 million as ODA Grant in aid.
- Korean EXIM Bank led a successful inception mission regarding the project “Widening and Improvement of N-45 Section-II (Akhagram and Dir) in December, 2023. Aide memoire detailing project activities was signed between MoEA, National Highway Authority and Korean EXIM Bank

- During the Country Programme Mission of Korean EXIM Bank held in May 2024, both countries finalized 13 Midterm Pipeline Projects to be implemented under the Framework Arrangement of USD 1000 million.
- The Embassy of Republic of Korea in Pakistan extended Emergency Equipment of USD 0.5 million to Punjab Emergency Services Department (PESB) under its Flood Relief activities in December 2023.

Disbursements

The disbursement of **USD 36.355 Million** in different projects has been made during FY 2023- 2024.

Incoming Technical Assistance

Pakistan regularly receives offers for technical assistance for capacity building of the Government employees in the form of short term and long-term training courses, workshops and seminars. MoEA circulates these offers to relevant Federal and Provincial agencies and also posts them on its website. The position of training / scholarships offered during 2023-24 (July 2023 to June 2024) are tabulated below:

Sr.#	Name of Sponsoring Agency	Number of Trainings
i.	Thailand	11
ii.	Republic of Korea (KOICA)	32
iii.	Singapore	20
iv.	Malaysia	19

Source: Ministry of Economic Affairs

➤ Activities in Pipeline

- 7th session of Pak-Belarus JMC will be held on 26-27 September, 2024 at Islamabad as concurred by both sides.
- 12th Session of Pak-U.A.E Joint Ministerial Commission scheduled to be held on 21st October, 2024 in Abu Dhabi, U.A.E.
- 10th Session of Pak-Jordan Joint Ministerial Commission will be held in 2024-25 in Islamabad.
- 11th Session of Pak-Afghanistan Joint Economic Commission (JEC) is expected to be held in 2024 in Islamabad.

- 22nd Session of Pak-Iran Joint Economic Commission (JEC) is expected to be held in October or November, 2024.
- 6th Round of Pak-Türkiye Joint Working Group on Banking & Finance is expected to be held during 7th Session of High-Level Strategic Cooperation Council (HLSCC) in 2024.
- 2nd loan Agreement for Mohmand Dam Hydropower Project amounting to US\$ 25 million is likely to be signed in last quarter of FY 2024-25 between Government of Pakistan and Kuwait Fund for Arab Economic Development.
- To explore financing for Diamer Bhasha Dam Project and Mohmand Dam Hydropower Project from Abu Dhabi Fund for Development.
- 7th Session of Pakistan-Tajikistan Joint Commission (JC) is expected to be held in 2024 in Islamabad.

Pakistan Technical Assistance Programme (PTAP)

The Pakistan Technical Assistance Programme (PTAP) is a long-standing initiative of the Government of Pakistan under its technical cooperation framework with friendly developing countries. The programme offers both long-term academic opportunities and short-term professional trainings. PTAP aims to strengthen bilateral ties, build institutional capacity, and promote human resource development.

Summary

Discipline	Planned Target 2024-25	Targets Achieved 2024-25
No. of Trainees for Long Term	485	340
No. of Trainees for Short Term	50	28

Long Term Technical Assistance 2024-25

Discipline	Quota	Utilization
Foreign Students	387	251
IOK	75	75
Afghan Refugee	14	14
Africa Program	09	00
Total:	485	340

Foreign students (FS):

Discipline	Quota	Utilization
MBBS	152	152
BDS	29	22
D. Pharmacy	60	43
B. Sc. Engineering	146	34
Total:	387	251

Indian Occupied Kashmir (IOK):

Discipline	Quota	Utilization
MBBS	40	40
BDS	00	00
B. Sc. Engineering	35	33
Total:	75	73

Afghan Refugees (AR):

Discipline	Quota	Utilization
MBBS	09	09
BDS	01	01
D. Pharmacy	03	03
B. Sc. Engineering	01	01
Total:	14	14

Africa Programme (AP):

Discipline	Quota	Utilization
D. Pharmacy	03	00
B. Sc. Engineering	06	00
Total:	09	00

Short Term Technical Assistance 2024-25

Courses	Participants
119 th Advance Railways Course	07
52 nd International Central Banking Course	12
49 th International Commercial Banking Course	09
Total	28

POLICY ANALYSIS & DEVELOPMENT (PA&D)

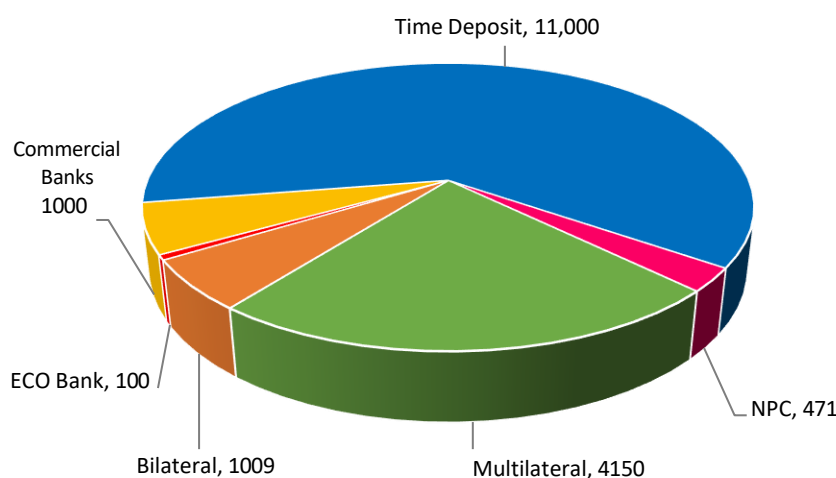
SECTION 5

POLICY ANALYSIS & DEVELOPMENT (PA&D)

Every year in consultation with Federal Ministries/Divisions, Provincial Governments, Autonomous Bodies and other project implementing agencies, Ministry of Planning, Development & Special Initiatives (MoPD&SI) prepares Revised Budget Estimates (RE) and Budget Estimates (BE) of foreign economic assistance. The Wing holds meetings with relevant stakeholders including Federal & Provincial Planning and Development Departments, concerned executing agencies, representatives from concerned policy wings of MoEA & 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.

For the FY 2023-24, Ministry of Economic Affairs in consultation with the aforementioned stakeholders prepared and finalized foreign assistance estimates as Revised Estimates of US\$17,730 million and Budget Estimates of US\$17,619 million.

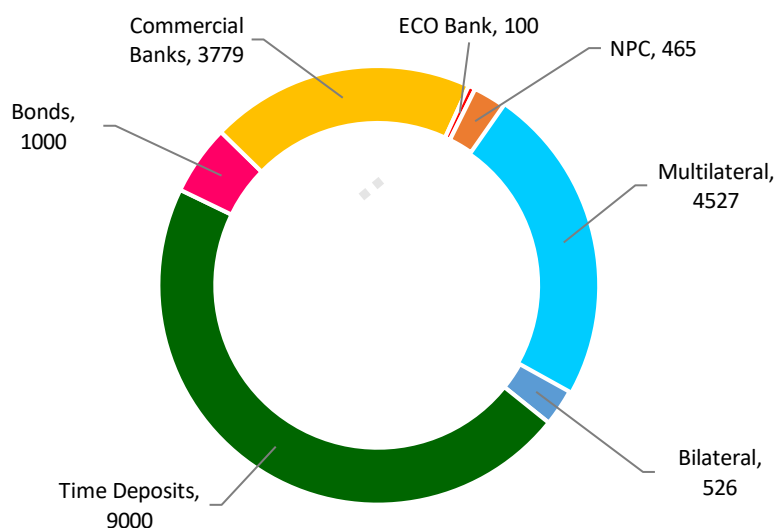
Revised Estimates 2023-24 (US\$ Million)



Source: Ministry of Economic Affairs

Out of total Budget Estimates 2024-25 of US\$19,397, multilateral development partners have shared US\$4,527 million and bilateral development partners US\$526 million, Bonds, US\$1,000 million, Commercial Banks US\$3,779 million, Eco Trade Bank 100, Time Deposit US\$9,000 and Naya Pakistan Certificate US\$467 million

Revised Estimates 2024-25 (US\$ Million)



Source: Ministry of Economic Affairs

The Secretary MoEA is one of the permanent members of Central Development Working Party (CDWP) & Executive Committee of the National Economic Council (ECNEC). The Secretary MoEA is also invited to attend ECC & Cabinet meetings on Special invitation. During Financial Years 2023-24, MoEA participated in the following meetings.

a) Central Development Working Party (CDWP)

Twenty-three meetings of CDWP were held during the period FY 2023-24 and one hundred and ninety (190) projects/CC/PP having Foreign Exchange Component (FEC) were discussed/approved during the meetings.

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

Nine meetings of ECNEC were held during the period FY 2023-24 and thirty-four projects having Foreign Exchange Component (FEC) were approved during the meetings.

c) Federal Cabinet Decisions

Four decisions pertained to MoEA and all Cabinet decisions have been implemented.

d) Economic Coordination Committee of the Cabinet (ECC)

Thirty meetings of the ECC were held during this period. Three decisions pertained to MoEA out of which one has been implemented and two is under implementation.

e) National Economic Council (NEC)

One meeting of NEC was held during the period, however, no decision has been received yet.

PC-Is& PC-IIs received from Planning Commission

Two Hundred and ninety-nine PC-Is/PC-IIs were received from Planning Commission through IPAS during the period FY 2023-24. Out of which Eighty-eight PC-Is/PC-IIs relating to MoEA due to involvement of foreign exchange component and were forwarded to concerned policy Wings for processing.

Preparation and Circulation of Foreign Economic Assistance Report

During the fiscal year 2023-24, following research reports were prepared and subsequently published on the website of Ministry of Economic Affairs for official and general dissemination of the information.

i. Annual Report on Foreign Economic Assistance (July - June 2022-23)

A comprehensive Annual Report on Foreign Economic Assistance (July-June 2022-23) was prepared, providing an overview of Pakistan's external inflows, external outflows, external public debt and debt servicing. Key highlights include:

- **New Commitments:** During July-June 2022-23, the government secured new commitments worth US\$ 11,983 million from various development partners.
- **Disbursements:** During July-June 2022-23, disbursements amounting to US\$ 10,844 million were received from multilateral development partners, bilateral development partners and international financial institutions (IFIs).

ii. Quarterly Report on Foreign Economic Assistance (July-September 2023-24)

A comprehensive report on Foreign Economic Assistance for the first quarter of the fiscal year 2023-24 was prepared and uploaded on MoEA's website. Key highlights include:

- **New Commitments:** The government secured new commitments worth US\$ 642 million from various development partners
- **Disbursements:** Disbursements amounting to US\$ 3,536 million were recorded during this period

iii. Quarterly Report on Foreign Economic Assistance (July-December 2023-24)

The report for the second quarter of the fiscal year 2023-24 provided detailed insights into Foreign Economic Assistance. Key points include:

- **New Commitments:** The government signed new agreements worth US\$ 2,183 million with various development partners
- **Disbursements:** Disbursements amounting to US\$ 5,975 million were recorded during this period

iv. Quarterly Report on Foreign Economic Assistance (July-March 2023-24)

The third-quarter report for the fiscal year 2023-24 reflected substantial progress in securing and utilizing Foreign Economic Assistance for the country's development goals. Key details include:

- **New Commitments:** The government secured new commitments worth US\$ 2,166 million from various development partners
- **Disbursements:** Disbursements amounting to US\$ 6,904 million were recorded during this period

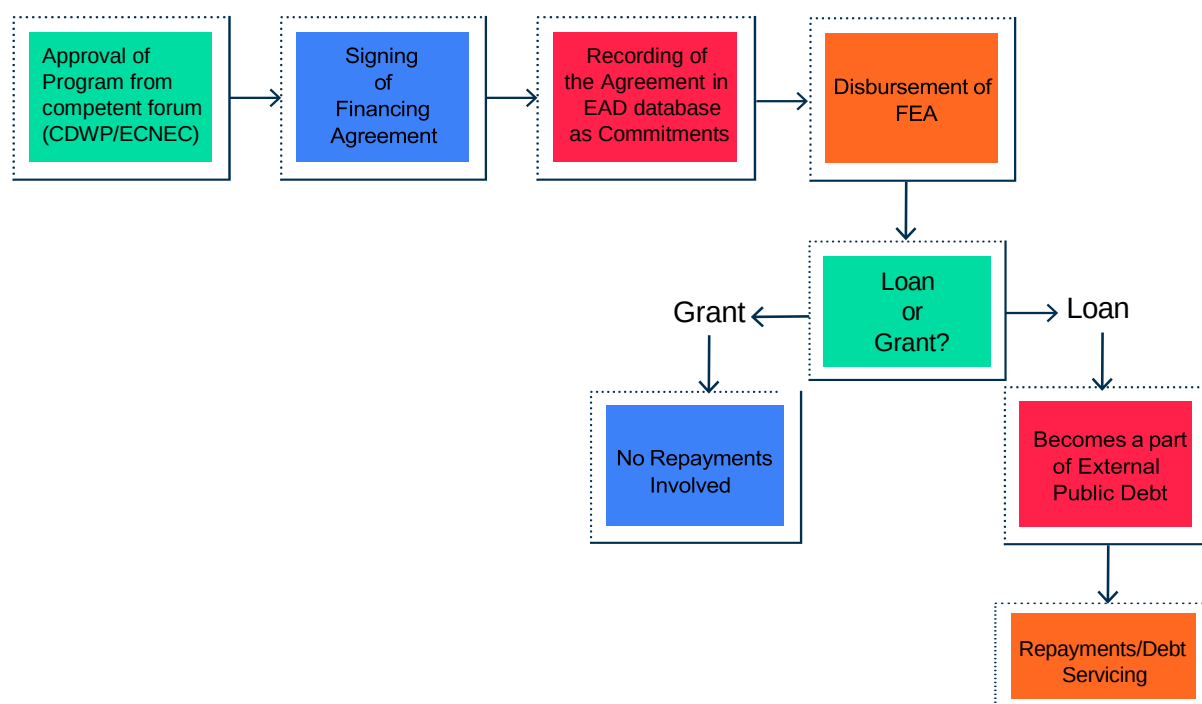
DEBT MANAGEMENT

SECTION 6:

DEBT MANAGEMENT WING

The Rules of Business, 1973, empowers Ministry of Economic Affairs (MoEA) to compile and analyze Foreign Economic Assistance (FEA) obtained from all multilateral and bilateral sources. Accordingly, MoEA maintains a database, namely Debt Management & Financial Assessment System (DMFAS), to record the details of FEA committed or disbursed by the development partners from time to time.

Figure 1: Procedure of External Public Debt Recording



Source: Ministry of Economic Affairs

Debt Servicing

Ministry of Economic Affairs is responsible for making timely debt-servicing (principal repayments and interest payments) of foreign loans

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
- Donor information sources
- Asian Development Bank
- World Bank
- Islamic Development Bank

Following activities have been performed during the year 2023-24

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

- Fresh Commitments during 2023-24 i.e. all new loans / grants General Information, Tranche Information, Interest Terms and Amortization Schedules have been entered into DMFAS.
- Entry of Disbursement transactions during 2023-24

- iii. Debt Service Payments i.e. (principal /interest, commission /commitment charges, other charges) during 2023-24 have been entered.
- iv. External Debt Stock position has been prepared on monthly basis showing end of month position from 01-07-2023 to 30-06-2024 with the following specifications:
 - External Debt and Liabilities
 - Segregation in respect of the following:
 - External Debt Stock into Public and Publicly Guaranteed
 - External Debt Stock into Fixed and Floating
 - External Debt Stock into Concessional and Non-Concessional
 - External Debt Stock into Currencies (Currency Composition)
 - Periodical Reports Generated and Issued during 2023-24:

v. Following periodical reports were issued:

- Monthly disbursement report.
- Reconciliation of disbursement/payments report.
- Debt Service Projections Quarterly basis (From 2023-24 to 2024-25)
- Debt Service Projections Annually (From 2023-24 till final maturity).
- Quarterly Status Reports on Commitments and Disbursements for the following quarters:
 - i. 1st Quarter July-September, 2023-24
 - ii. 2nd Quarter July-December, 2023-24
 - iii. 3rd Quarter July-March, 2023-24
 - iv. 4th Quarter July-June, 2023-24

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.

Recoveries of Foreign Re-Lent Loans

During the Year 2023–24, the DM Wing continued to actively monitor and pursue recoveries of foreign re-lent loans extended to public sector entities and provincial governments under

various external financing arrangements. Recoveries were undertaken in accordance with the terms and conditions of subsidiary loan agreements, with close coordination maintained with executing agencies, provincial finance departments, and the Accountant General of Pakistan Revenues to ensure timely servicing of principal, interest, and other charges. Regular reconciliation of accounts was carried out to update outstanding balances, address overdue amounts, and strengthen fiscal discipline. The Wing also enhanced follow-up mechanisms to minimize arrears and improve recovery performance, thereby contributing to prudent debt management and safeguarding the Government's financial interests.

Reconciliation of Expenditure

During 2023–24, the DM Wing undertook regular reconciliation of expenditure in respect of foreign-funded projects, focusing particularly on the disbursed amounts reported by development partners in DMFAS and their corresponding accounting by the Accountant General Pakistan Revenues (AGPR). Periodic statements of disbursements received from donors and entered in DMFAS were reconciled with AGPR records to ensure accuracy, completeness, and timely reflection of external inflows in the Government accounts. Discrepancies, if any, were promptly taken up with the concerned ministries, executing agencies, AGPR, and donors for resolution. This exercise facilitated improved financial reporting, strengthened internal controls, and ensured transparency and reliability of external financing data within the public financial management framework.

Rollover of principal payment to EXIM Bank China for the years (2023-25)

- The DM Wing successfully rolled over principal repayments of 31 loans acquired from EXIM Bank of China for two years starting from July 2023 (until June 2025).
- The total amount of principal repayments (of 31 loans) rolled over is US\$ 2.43 Billion, thereby saving foreign exchange for Pakistan and building capacity to reprofile external debt so that the balance of payment position could be maintained.
- It is pertinent to note that interest payments on these 31 loans are still being made.

LIBOR to ARR transition

- After the formal discontinuation of the **LIBOR** (London Inter Bank Offer Rate) on 30th June 2023, the worldwide transition to Alternative Reference Rates (**ARRs**) started. LIBOR was used as the reference rate (benchmark interest rate) for many loans received by the Government of Pakistan from Bilateral Development Partners.
- In order to continue repayments on the aforementioned loans, it was necessary to shift to Alternative Reference Rates (**ARRs**) such as the Secured Overnight Financing Rate (**SOFR**) for the US\$ denominated loans and the Tokyo Over Night Offer Rate (**TONAR**).
- The DM Wing successfully concluded LIBOR to ARR transition agreements with the Republic of Korea, Sweden, Canada, Finland and Spain for loans originally acquired with **LIBOR** as the reference rate

DSSI Phase 3 Agreement with Sweden

- The Debt Service Suspension Initiative (DSSI) was an initiative launched by the most developed countries in the world to suspend debt service payments for heavily indebted least developed countries, in the wake of the economic fallout from the Covid-19 Pandemic. The DM wing already concluded DSSI agreements with various multilateral and bilateral development partners in the preceding years.
- For the year 2023-24, the DM Wing successfully concluded the (DSSI) Phase-III agreement with Sweden, whereby debt service payments amounting to US\$ 9.6 million, for the period from July 2021 to December 2021, were rescheduled.

**NON-GOVERNMENTAL ORGANIZATIONS
(NGOs)/
NON-PROFITABLE ORGANIZATIONS
(NPOs)**

SECTION 7:

NGOs/INGOs WING

Policy for Local NGOs/NPOs Receiving Foreign Contributions 2022 was approved by the Federal Cabinet in November 2022. The new policy aims to facilitate processing of cases of local NGOs receiving foreign contributions transparently and smoothly. 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

Salient features of the Policy-2022 include the following:

- Clearly defined eligibility criteria, objectives exemptions/ prohibitions/obligations etc.
- Online application/ Consultation with stakeholders through online portal
- **45+15 days** process time. In case stakeholder(s) stakeholders may take 15 days additional time for clearance on request.
- Grievance Committee Chaired by Secretary, MoEA
- MOU signed for 3 years. If thematic area, location, donor, is same extension/renewal by Secretary MoEA for another 2 years

Following mandatory pre-requisites have been laid down in the New Policy:

- Is registered as NPO/NGO in Pakistan?
- Active taxpayer
- Preferably one-year experience
- MOU up to 3 years could be signed and extension/renewal can be granted by Secretary MoEA for another 2 years
- Monitoring and Evaluation and Suspension/Termination conditions have been laid down.

Redressal of Grievances

Section 12 of the NGO Policy-2022 provides for the redressal of grievances

- NGOs/NPOs may file a grievance petition against any decision of Ministry of Economic Affairs within 15 days before the Grievance Committee
- Grievance Committee shall be headed by the Secretary Ministry of Economic Affairs and comprising members from MOI, MOFA and Law
- The quorum of Grievance Committee shall be 50% 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 MoEA to the stakeholders for clearance as per Policy for Local NGOs/NPOs Receiving Foreign Contributions-2022.

Current Status of Local NGOs

Fresh Cases:

1.	No of projects applied	2379
2.	Applications Approved/MOU Signed	1136
3.	Projects/applications Regretted	13
4.	Applications under Process with stakeholders	880

Source: Ministry of Economic Affairs

Renewal Cases:

No of Projects Applied	Approved Cases	Pending Cases
350	270	57

Source: Ministry of Economic Affairs

Main Thematic Areas

Sr.#	Main Thematic Areas
1.	Flood Related Activities
2.	Infrastructure
3.	Climate Change
4.	Agriculture
5.	Education
6.	Health

7.	Women Empowerment
8.	Social Welfare
9.	Human Rights and Advocacy
10.	Missionary

Regional Distribution of NGOs

Sr.#	Province	Districts	
1	Punjab	Narowal	
		Rajanpur	Hafizabad
		Dera Ghazi Khan	Nankana Sahib
		Muzaffargarh	Rahim Yar Khan
		Lahore	Multan
		Sheikhupura	Jhang
		Sialkot	
2	KPK	Dera Ismail Khan	Nowshera
		Charsadda	Swat
		Tank	Mohmand lower
		Kohistan	Upper Dir
		Lower Dir	Peshawar
		Swabi	South waziristan
		Bannu	Kohat
3	Sindh	Tharparkar	Khairpur
		Jamshoro	Sukkur
		Badin	Thatta
		Sanghar	Dadu
		Karachi Central	Mirpur Khas
		Dadu	Sujawal
4	Baluchistan	Jaffarabad	Tando Allahyar
		Lasbela	Loralai
		Sohbatpur	Killa Saifullah
		Kharan	Nasirabad
		Quetta	Killa Abdullah
		Jacobabad	Sibi
		Bolan	Khuzdar
5	AJK and GB	Ghanche	Muzaffarabad
		Gilgit	Juglot
		Danyor	

Source: Ministry of Economic Affairs

ADVANCING TOWARDS DIGITAL WORKPLACE

SECTION 8:

E-OFFICE ADOPTION & IMPLEMENTATION

The pilot implementation of the E-Office system at the Ministry of Economic Affairs (MoEA) began in 2014-15, restricted to only one section of the World Bank (WB) Wing. The system could not be expanded to other sections/wings of MoEA due to the lack of necessary hardware infrastructure. In 2021-22, the National Information Technology Board (NITB), through centralized procurement, addressed the hardware infrastructure requirements across all ministries and divisions, including MoEA.

In November 2022, following directives from the Prime Minister's Office and a decision made during the Secretaries' Committee meeting on October 28, 2022, NITB instructed all ministries and divisions to expedite adoption of the E-Office system.

As a foundational step towards E-Governance and the comprehensive implementation of e-office, the Ministry of Economic Affairs successfully completed the following 05 basic digitalization and automation tasks:

Sr.#	Basic Digitization Tasks	Responsibility	Present Status	Date of Completion
1.	An up & running Ministry/Division's website where content is updated is regularly	MoEA	Website updated regularly. URL: www.ead.gov.pk	Completed
2.	Use of official e-mail accounts a collaboration tool.	MoEA/NITB	Official E-mails have already been created in collaboration with National Information Technology Board (NITB), Islamabad.	Completed
3.	Placement of Qualified Technical Resources for managing day to day technical operations.	NITB	MoEA has requested for placement of centrally managed technical officer(s)/official(s) for the implementation of E-Government/ E-office for 234 users and local area network (LAN) containing 250 nodes identified during the evaluation of IT infrastructure of MoEA by NITB.	Completed by NITB
4.	Fiber Connectivity	MoEA	Connection of MoEA with NTC	Completed

	with NTC data center for E-Office.		Data Center has been established in collaboration with NTC and NITB.	
5.	Identifying ICT initiatives within your domain and engaging ministry of IT & Telecommunication so that such programs can be executed with a goal of achieving a complete eco-system.	MoEA/ NITB	MoEA's IT infrastructure has already been evaluated by NITB. NITB after centralized procurement will provide 150 Personal Computers, 66 Scanners, establishment of separate LAN having 250 nodes, Network switches and a Firewall to MoEA, which is in process at NITB, Islamabad.	Completed by NITB

E-Office Implementation Progress

Ministry of Economic Affairs has made significant progress in its digital transformation efforts by digitizing past records and fully adopting the E-Office system for all official correspondence. This initiative aims to achieve 100% utilization of the E-Office system across all sections of the Ministry.

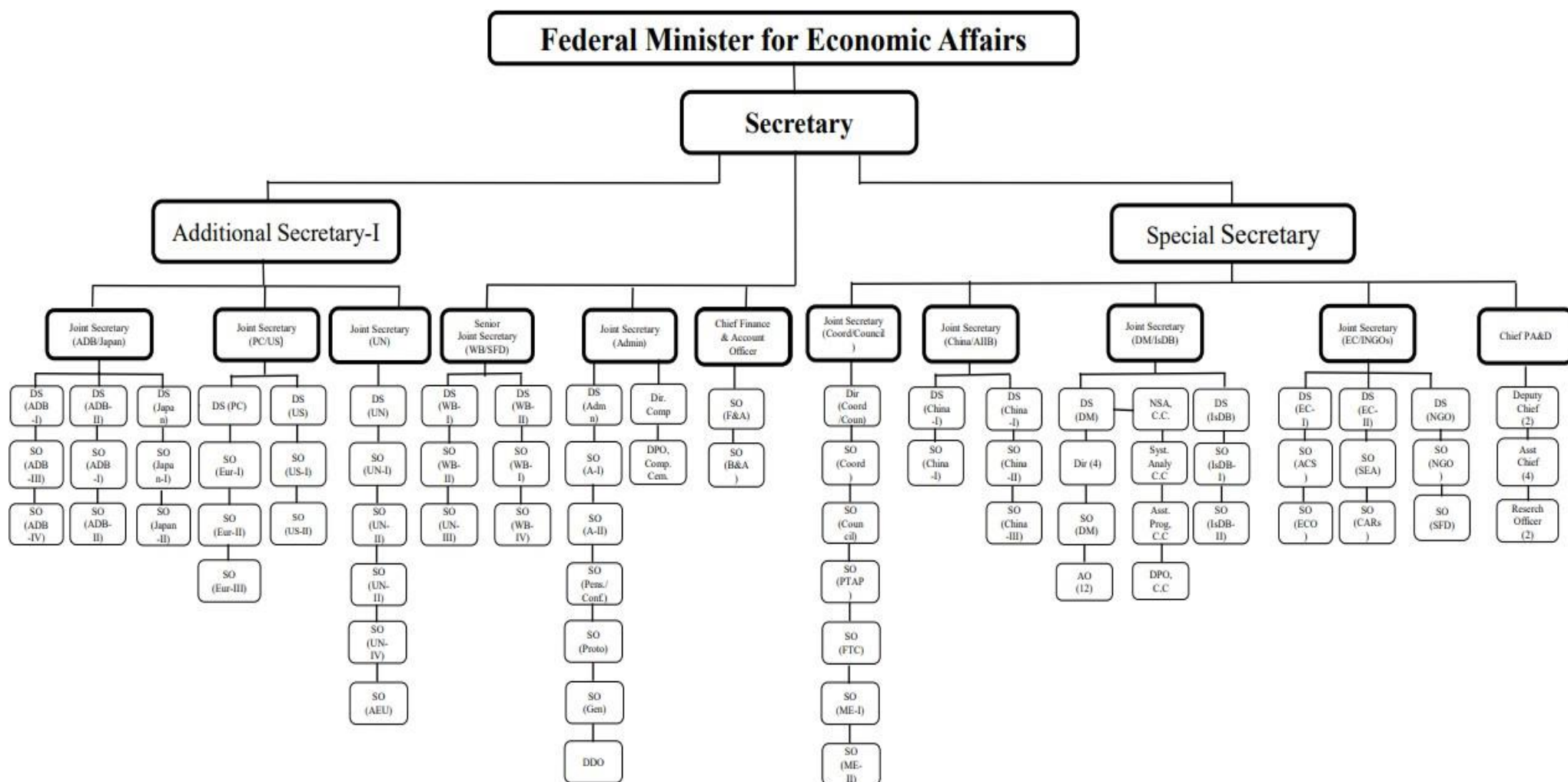
The monthly utilization of the e-office system across various sections from July 2023 to June 2024 is given below:

Month	Number of Sections	Utilization (100%)
July, 2023	50	69%
August, 2023	50	75%
September, 2023	50	69%
October, 2023	50	82%
November, 2023	50	84%
December, 2023	49	85%
January, 2024	49	85%
February, 2024	50	85%
March, 2024	50	85%
April, 2024	50	80%
May, 2024	50	82%
June, 2024	49	88%

Source: Ministry of Economic Affairs

ANNEXURES

Organogram of Ministry of Economic Affairs



Completed Loans with Government of China**(US\$ Million)**

Sr.#	Name of Project/ Program	Type of financing	Signing Date	Closing Date	Amount Committed	Disbursement received in FY 2023-24	Total Disbursement
i.	Orange Line in Lahore Project	Loan (EXIM Bank)	21.12.15	01.04.2024	1,626.00	7.05	172.99
ii.	Thakot to Havelian 118 KM (KKH Phase II)	Loan (EXIM Bank)	28.04.16	15.08.2023	1,315.19	33.13	154.89
iii.	Multan- Sukkur Section (387 km) Peshawar Karachi Motorway	Loan (EXIM Bank)	28.04.16	15.08.2023	2,889.74	25.28	357.30
Total					5,830.93	65.46	685.18

Source: Ministry of Economic Affairs

Ongoing Grant Projects**(US\$ Million)**

Sr.#	Project Title	Signing Date/ Closing Date	Executing Agency	Committe d Amount
i.	New Gwadar International Airport	13-05-2017 / 30-08-2024	PCAA/ Aviation Division	224.00
ii.	Reconstruction and Rehabilitation of Fully Damaged Schools in Bara District Khyber	13-08-2017 / 31-12-2024	Merged Area Secretariat, Peshawar	10.30
iii.	Smart Classroom Project for Higher Education	8-10-2019 / September,2024	HEC	13.05
iv.	Establishment of New Generation Geodetic Datum of Pakistan	13-05-2017 / 30-06-2025	Survey of Pakistan / M/o Defence	13.65
v.	Rehabilitation of Specific Sections of National Highway N5 project	31-12-2020 / Closing Date: 24 months from the date of commencement	NHA / M/o Communications	100.00
vi.	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	21.57
Total				382.57

Source: Ministry of Economic Affairs

Completed Grant Projects**(US\$ Million)**

Sr.#	Project Title	Signing Date/ Closing Date	Executing Agency	Committed Amount
i.	Gwadar Sea Water Desalination Project	08-10-2019 / 07-06-2024	Gwadar Port Authority / Ministry of Maritime Affairs	13.08
ii.	Pak China Friendship Hospital Project	10-04-2018 / 07-06-2024	Gwadar Development Authority	30.50
Total				43.58

Source: Ministry of Economic Affairs