

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. The major development institutions active in Pakistan are the Asian Development Bank (ADB), Agence Française de Développement (AFD), European Union, European Investment Bank, Islamic Development Bank (IDB), International Monetary Fund (IMF), Japan International Cooperation Agency (JICA), German development cooperation through KfW, United States Agency for International Development (USAID), and the World Bank. ADB provides broad support to the power sector—including power generation, transmission, distribution, renewable energy,¹ and energy efficiency—through its four multitranche financing facilities and one project loan. The ongoing financing from these facilities amounts to about \$2.7 billion of the available total of \$3.8 billion. The World Bank has provided technical and financial assistance, mainly for improvement of electricity distribution and transmission capacity; improvement of gas distribution efficiency; hydropower and other renewable power generation; energy efficiency, including reduction of commercial losses and improvements in bill collection; intra- and inter-regional power trade; and water resource management. Its current portfolio is around \$1 billion in the energy sector, with a further \$1.2 billion in the pipeline for fiscal year (FY) 2014. The IMF is providing support to the government through its extended fund facility (EFF) during 2013–2016, amounting to \$6.6 billion. The three tranches under the IMF facility, totaling about \$1.5 billion, have already been disbursed.

2. JICA has funded the modernization of the Load Dispatch Center at the National Power Control Center by upgrading its data processing system. The German development cooperation through KfW focuses on renewable energy and energy efficiency. The KfW invests in small- to medium-scale hydropower plants, power substations, off-grid solutions and transmission lines. The ongoing projects amount to \$293 million. USAID provides strategic grant support (\$187 million) to the power sector for capacity development and project financing. In 2010, USAID started to finance the repair and maintenance of government-owned power generation plants. In 2013, the rehabilitation of one oil-fired and three oil and gas dual-fired power generation units in the Jamshoro Thermal Power Station was completed. Since 2009, IDB has lent about \$287 million for the procurement of mechanical equipment for energy generation.

3. For the proposed program, JICA will provide support to the least-cost generation plan and to energy efficiency, USAID is supporting the strengthening of NEPRA and distribution companies, and the World Bank is considering support by providing the analytical basis for a tariff and subsidy policy. The government has asked ADB to support the program coordination unit in the Ministry of Finance and the monitoring units in the Ministry of Water and Power and the Ministry of Petroleum and Natural Resources. A technical assistance loan will be processed to finance this support. ADB is also preparing a technical assistance grant for the operationalization of the Central Power Purchasing Agency.

Major Development Partners

Development Partner	Project Name	Duration	Amount (\$ million)
ADB (public sector)	Renewable Energy Development Sector Investment Program T1	2006–2014	150.00
	Power Distribution Enhancement Investment Program T1	2008–2012	252.00

¹ Six small hydropower projects with a total capacity of 40 megawatts (MW) are being financed through tranche 1 of the Renewable Energy Development Sector Investment Program. In the private sector, ADB is financing two 50 MW wind power plants and two mid-sized hydropower plants.

Development Partner	Project Name	Duration	Amount (\$ million)
	Power Transmission Enhancement Program T2	2007–2014	220.00
	Energy Efficiency Investment Program T1	2009–2014	40.00
	Power Distribution Enhancement Investment Program T2	2010–2015	242.00
	Power Transmission Enhancement Investment Program T3	2011–2016	243.00
	Power Distribution Enhancement Investment Program T3	2012–2017	245.00
	Power Distribution Enhancement Investment Program T4	2013–2017	167.20
	Jamshoro Power Generation Project	2013–2023	900.00
ADB (private sector)	Karachi Electric Supply – Post Privatization Rehabilitation, Upgrade, and Expansion	2007–2012	150.00
	Daharki Power Project	2007–2011	46.75
	UCH II Power Expansion Project	2010–2014	100.00
	Star (Partind) Hydropower Project	2011–2017	97.00
	Foundation Wind Energy Projects	2011–2014	66.70
AFD	Jaggran II Hydropower Project	2012–2017	83.19
	Technical Assistance to Hydro Electric Board	2011–2016	0.43
	Energy Efficiency First Tranche–CFLs	2012–2014	27.00
	Munda Dam Project–First Tranche	2013–2018	13.50
	Harpo Hydropower Project	2013–2018	65.00
	Mangla Hydropower Training Institute	2013–2016	3.25
European Union	Programme for Economic Advancement and Community Empowerment (renewable energy)	2013–2016	40.00*
European Union/EIB	Keyal Khwar Hydropower Project	2014–2018	137.00
Germany	Ghazi Road Gas-Insulated Substation, Punjab	2014–2017	15.70
(through KfW and GIZ)	PAK Glacier Monitoring Network for KP and GB	2014–2018	8.34
	Hydropower and Renewable Energy Project (decentralized energy KP)	2013–2017	14.00
	128-MW Keyal Khwar Hydropower Project	2008–2018	135.00
	Technical Assistance for Renewable Energies and Energy Efficiency	2009–2016	12.50
	35-MW Harpo Hydropower Project incl. Technical Assistance	2014–2018	30.00
	Hydropower Development Programme GB and KP	2011–2017	86.80
IDB	Hydropower Projects of Ali Khawar, Khan Khawar, and Dubair Khawar	2008–ongoing	150.20
	Neelum–Jhelum Hydropower Plant Project	2009–ongoing	357.64
	UCH II Power Expansion Project	Ongoing	90.00
	Star (Partind) Hydropower Project	Ongoing	60.00
	Fauji Wind Projects	Ongoing	140.00
IMF	Extended Fund Facility	2013–2016	6,600.00
JICA	Load Dispatch System Upgrade Project	2005–2014	38.39
	Punjab Transmission Lines and Grid Stations Project	2008–2015	119.43
	National Transmission Lines and Grid Stations Strengthening Project	2010–2017	233.00
	Dadu–Khuzdar Transmission System Project	2006–2015	37.02
	Project for Improvement of Training Capacity on Grid System Operation and Maintenance of NTDC	2011–2014	3.77
USAID	Program Support for Energy Generation	2003–2014	3.42

Development Partner	Project Name	Duration	Amount (\$ million)
World Bank	Pakistan Energy Efficiency and Capacity	2009–ongoing	23.49
	Tarbela Dam Repair and Maintenance	2010–ongoing	16.50
	Guddu Thermal Power Station Repair and Maintenance	2010–ongoing	18.07
	Muzaffargarh Thermal Power Station Repair & Maintenance	2010–ongoing	15.19
	Jamshoro Thermal Power Repair and Maintenance	2010–ongoing	18.36
	Power Distribution Program for DISCOs	2010–2013	60.00
	Satpara Mutipurpose Dam Project	2011–2013	26.00
	Power Generation and Transmission Improvement Program	2012–2015	6.69
	Tarbela Fourth Extension Hydropower Project (IBRD)	2012–2018	400.00
	Tarbela Fourth Extension Hydropower Project (IDA)	2012–2018	440.00
	Natural Gas Efficiency Project (IBRD)	2012–2017	100.00
	Natural Gas Efficiency Project (IDA)	2012–2017	100.00
	Water Sector Capacity Building and Advisory Services Project (IDA)	2008–2015	38.00

ADB = Asian Development Bank, AFD = Agence Française de Développement, CFL = compact fluorescent lamp, DISCO = distribution company, EIB = European Investment Bank, GB = Gilgit-Baltistan, GIZ = German Society for International Cooperation, IBRD = International Bank for Reconstruction and Development, IDA = International Development Association, IDB = Islamic Development Bank, IMF = International Monetary Fund, JICA = Japan International Cooperation Agency, KfW = Kreditanstalt für Wiederaufbau, KP = Khyber Pakhtunkhwa, kV = kilovolt, MW = megawatt, NTDC = National Transmission and Despatch Company, T = tranche, USAID = United States Agency for International Development.

* EUR million.

Source: Asian Development Bank.

B. Institutional Arrangements and Processes for Development Coordination

4. In 2010, the Energy Sector Task Force of Friends of Democratic Pakistan made recommendations for the sustainable recovery of Pakistan's energy sector.² In a continuation of the coordination that took place during the development of that report, ADB facilitates the monthly energy sector donors' meeting to coordinate policy dialogue and discuss sector and project issues. ADB and the World Bank have been requested by the IMF to provide sector analysis as an input to their periodic review and program formulation.

C. Achievements and Issues

5. Agence Française de Développement is a partner in the Energy Efficiency Investment Program, with a cofinancing commitment of €100 million. The first tranche experienced delays but all contracts have now been awarded. IDB is cofinancing the Jamshoro Power Generation Project with ADB and providing funds of \$220 million. ADB has also sought cofinancing opportunities with other donors, including IDB and JICA.

² Friends of Democratic Pakistan has 26 members. In addition to Pakistan, these are: ADB, Australia, Canada, People's Republic of China, Denmark, Egypt, France, Germany, Iran, IDB, European Union, Italy, Japan, Republic of Korea, Netherlands, Norway, Saudi Arabia, Spain, Sweden, Turkey, United Arab Emirates, United Kingdom, United Nations, United States, and World Bank. Friends of Democratic Pakistan – Energy Sector Task Force. 2010. *Integrated Energy Sector Recovery Report and Plan*. Islamabad.