



## Pakistan: Public Sector Enterprise Reforms Project

Project Name	Public Sector Enterprise Reforms Project
Project Number	48031-001
Country	Pakistan
Project Status	Active
Project Type / Modality of Assistance	Loan
Source of Funding / Amount	<b>Loan 3214-PAK: Public Sector Enterprise Reform (TA Loan)</b> concessional ordinary capital resources lending / Asian Development Fund    US\$ 20.00 million
Strategic Agendas	Inclusive economic growth
Drivers of Change	Governance and capacity development Private sector development
Sector / Subsector	<b>Public sector management</b> - Economic affairs management - Reforms of state owned enterprises
Gender Equity and Mainstreaming	No gender elements
Description	The Project will strengthen the Government of Pakistan's capacity to privatize and restructure its designated public sector enterprises (PSEs) by (i) strengthening the privatization program; (ii) improving corporate governance, structure, and management capacity in selected PSEs; and (iii) enhancing governance and regulatory regimes in selected sectors currently dominated by PSEs. The expected impact of the project is a reduction of the fiscal and economic costs associated with Pakistan PSEs. The expected outcome is successful privatization and restructuring of selected PSEs. This will be measured through the number of government divestments from fiscally costly PSEs and the number of fiscally costly PSEs effectively restructured.
Project Rationale and Linkage to Country/Regional Strategy	The government has requested the Asian Development Bank and other development partners to support the strategic policy and financial requirements of the PSE reform and privatization agenda. The Project will finance technical assistance to PSE reforms. This assistance is aligned with the ADB country partnership strategy for Pakistan and is included in the country operations business plan 2014_-2016.
Impact	Reduced fiscal and economic costs associated with Pakistan's PSEs

### Project Outcome

Description of Outcome	Successful privatization and restructuring of selected PSEs
Progress Toward Outcome	To be determined. Project activities has yet to start.
<b>Implementation Progress</b>	
Description of Project Outputs	Strengthened privatization program Corporate governance, structure and management capacity improved in selected PSEs Governance and regulatory regimes enhanced in selected sectors currently dominated by PSEs Project efficiently and effectively managed
Status of Implementation Progress (Outputs, Activities, and Issues)	With the slowdown of the privatization program and use of the government's own resources for energy sector reform monitoring, the government is now focusing only on completing the energy sector reform monitoring reports by April 2017.
Geographical Location	Pakistan

## Safeguard Categories

Environment	C
Involuntary Resettlement	C
Indigenous Peoples	C

## Summary of Environmental and Social Aspects

Environmental Aspects	The Project will finance technical assistance to support government's reforms in public sector enterprises (PSEs). It is anticipated that it will have no adverse environmental impacts.
Involuntary Resettlement	The Project does not include civil works with land acquisition. It will finance consulting services to support government's policy reforms.
Indigenous Peoples	The Project will finance consulting services to support government's reforms in public sector enterprises (PSEs). The reforms will be applied across PSEs and are not expected to have adverse impacts on any specific minority ethnic groups in the country.

### Stakeholder Communication, Participation, and Consultation

During Project Design	The main stakeholders are PSEs management and staff, regulatory authorities, ministries, consumer organizations, and labor unions. Representatives of these stakeholders were consulted throughout project processing. The beneficiaries will primarily be the domestic, industrial, agricultural, and commercial clients of public goods and services provided by PSEs, who will gain from improved service delivery. Taxpayers and recipients of government services will indirectly benefit from reduced fiscal costs of PSEs. Workers in PSEs are expected to benefit from a consistent and fair approach to labor retrenchment to be provided through the mitigation framework for labor-related matters to be developed under the Project.
During Project Implementation	Representatives of the stakeholders will continue to be consulted throughout project processing. The Project will prepare a public communications strategy to ensure transparency, understanding, and public support to PSE reforms by all stakeholders. The customer surveys to be financed by the Project will monitor service delivery and tariff structures of PSEs throughout project implementation, with specific consideration of poor consumers.

## Business Opportunities

Consulting Services	All consultants will be recruited in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time).
Procurement	All procurement of goods and works will be undertaken in accordance with ADB's Procurement Guidelines (2013, as amended from time to time).

## Responsible Staff

Responsible ADB Officer	Mtchedlishvili, Levan G.
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Energy Division, CWRD
Executing Agencies	<i>Ministry of Finance SO_ADB_I@EAD_CC.SDNPK.UNDP.ORG Economic Affairs Div. Rm. 308 Block "C" Secretariat Bldg Islamabad, Pakistan</i>

## Timetable

Concept Clearance	18 Apr 2014
Fact Finding	31 Mar 2014 to 11 Apr 2014
MRM	06 Aug 2014
Approval	04 Dec 2014
Last Review Mission	-
Last PDS Update	30 Mar 2017

## Loan 3214-PAK

### Milestones

Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
04 Dec 2014	27 Jan 2015	17 Apr 2015	30 Jun 2020	-	-

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	22.54	Cumulative Contract Awards			
ADB	20.00	04 Dec 2014	0.00	0.00	0%
Counterpart	2.54	Cumulative Disbursements			
Cofinancing	0.00	04 Dec 2014	0.00	0.00	0%

Status of Covenants						
Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	-	-	-	Satisfactory	-	Satisfactory

Project Page <https://www.adb.org/projects/48031-001/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=48031-001>

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