



Pakistan: Public Sector Enterprises Reform Program

Project Name	Public Sector Enterprises Reform Program	
Project Number	48065-001	
Country	Pakistan	
Project Status	Active	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA 8796-PAK: Public Sector Enterprises Reform Program Technical Assistance Special Fund US\$ 500,000.00	
Strategic Agendas	Inclusive economic growth	
Drivers of Change	Governance and capacity development Private sector development	
Sector / Subsector	Public sector management - Economic affairs management - Reforms of state owned enterprises	
Gender Equity and Mainstreaming	No gender elements	
Description	<p>The impact will be improved PSE performance in Pakistan. The outcome will be the implementation of a comprehensive and robust privatization and restructuring program. The program has four outputs: (i) Supporting public sector enterprise privatization efforts; (ii) Ensuring the restructuring of selected public sector enterprises is achieved; (iii) Establishing a conditionality framework for fiscal transfers to public sector enterprise; (iv) Enhancing economic regulatory regimes.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>The proposed Pakistan Public Sector Enterprise (PSE) Reform Program will support the Government's efforts to restructure and privatize selected PSEs. Pakistan's PSE sector imposes high fiscal and economic costs. The federal government has equity interests in more than 200 commercial and semi-commercial organizations. Many of Pakistan's PSEs provide critical infrastructure services to the country. While some are profitable, most are poor performers. There is however limited financial data available on these PSEs.</p> <p>Introducing properly regulated private sector privatization is now perceived to be the only way to sustainably reduce these fiscal and economic costs. The Government is implementing an ambitious economic reform agenda to stabilize the balance of payments and put the country on a different growth path. The Government requested a 36-month Extended Fund Facility from the International Monetary Fund to support implementation of its reform agenda, for the equivalent of approximately \$6.6 billion. Agreement was reached on a set of structural reforms and policy benchmarks which include structural policies related to PSE reform. The pace at which an agreement was reached between the Government and the IMF reflected the Government's commitment to a comprehensive economic reform program.</p>	
Impact		
Project Outcome		
Description of Outcome		
Progress Toward Outcome		
Implementation Progress		
Description of Project Outputs		
Status of Implementation Progress (Outputs, Activities, and Issues)		
Geographical Location	Pakistan	

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design	The main stakeholders are PSEs' boards, management and staff, regulatory authorities, and ministries. The beneficiaries are expected to be the urban and rural recipients of services (customers), as well as other industrial, agricultural, commercial, and domestic clients of public goods and services provided by PSEs. Representatives of these stakeholders were consulted throughout program design.
During Project Implementation	All stakeholders will continue to be consulted throughout program processing. A public communications strategy will be prepared to ensure understanding, transparency, and public support.

Business Opportunities

Consulting Services	The TA has financed the engagement of ten individual consultants. Four of the national consultants have completed their contracts, while the three international consultants' contracts have been closed to allow the TA to focus on changed requirements involving national consultancy inputs for Subprogram 2 of the PSE Reform Program (PSERP). The remaining three national consultants include the (i) regulatory expert, (ii) financial management expert, and (iii) legal expert. The consultants were hired in accordance with the ADB Guidelines on the Use of Consultants (2013, as amended from time to time).
Procurement	Not required.

Responsible Staff

Responsible ADB Officer	Mukhopadhyay, Hiranya
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Public Management, Financial Sector and Trade Division, CWRD
Executing Agencies	<i>Ministry of Finance Economic Affairs Div. Rm. 308 Block "C" Secretariat Bldg Islamabad, Pakistan</i>

Timetable

Concept Clearance	-
Fact Finding	-
MRM	-
Approval	15 Dec 2014
Last Review Mission	-
Last PDS Update	30 Mar 2016

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Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
15 Dec 2014	14 Jan 2015	14 Jan 2015	31 Dec 2018	-	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
500,000.00	0.00	0.00	0.00	0.00	0.00	500,000.00	15 Dec 2014	367,078.16

Project Page	https://www.adb.org/projects/48065-001/main
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