



Pakistan: Building Resilience with Active Countercyclical Expenditures Program

Project Name	Building Resilience with Active Countercyclical Expenditures Program	
Project Number	56148-001	
Country / Economy	Pakistan	
Project Status	Approved	
Project Type / Modality of Assistance	Loan	
Source of Funding / Amount	Loan 4234-PAK: Building Resilience with Active Countercyclical Expenditures (BRACE)	
	Ordinary capital resources	US\$ 1,250.00 million
	Loan 4235-PAK: Building Resilience with Active Countercyclical Expenditures Program	
	Concessional ordinary capital resources lending	US\$ 250.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Gender Equity and Mainstreaming Governance and capacity development Knowledge solutions Private sector development	
Sector / Subsector	Public sector management / Public expenditure and fiscal management - Social protection initiatives	
Gender Equity and Mainstreaming	Effective gender mainstreaming	
Description	The principal objective of the Program is to mitigate the adverse socio-economic effects of the economic crises and enhance the resilience of poor and vulnerable groups to socio-economic shocks. The scope of the proposed program includes implementation of (a) increased social protection measures; (b) increased food security measures; and (c) enhanced support for business.	
Project Rationale and Linkage to Country/Regional Strategy	The proposed program will support the government's efforts to provide relief while, in conjunction with other development partners aligned to the government's reform program with the International Monetary Fund (IMF), accelerate the ongoing implementation of structural reforms to improve Pakistan's medium-to long-term macroeconomic resilience and prospects. The program is aligned with the government's strategic priorities and the objective to promote social inclusion by strengthening the support provided to poor and vulnerable groups, improving economic resilience, and supporting the trade related sectors. The program is also aligned with Strategy 2030 of the Asian Development Bank (ADB), particularly (i) operational priority (OP) 1: addressing remaining poverty and reducing inequalities; (ii) OP2: accelerating progress in gender equality; (iii) OP5: promoting rural development and food security; (iv) OP6: strengthening governance and institutional capacity; and (v) OP7: fostering regional cooperation and integration. The program is also aligned with ADB's country partnership strategy for Pakistan, 2021-2025, especially on reducing economic and social disparities, strengthening economic governance, and supporting private sector development. Pakistan meets all the criteria required to access ADB's countercyclical support facility, which include adverse impact of exogenous shocks, pro-poor countercyclical development expenditure program, public debt levels maintained at sustainable levels, and ongoing implementation of structural reforms.	
Impact	Macroeconomic management strengthened, and more sustained, and inclusive growth supported.	
Project Outcome		
Description of Outcome	Adverse socioeconomic effects of the crisis mitigated, and resilience of poor, and vulnerable groups enhanced.	
Progress Toward Outcome		
Implementation Progress		
Description of Project Outputs	Increased social protection measures implemented. Increased food security measures implemented. Enhanced support for business implemented.	
Status of Implementation Progress (Outputs, Activities, and Issues)		
Geographical Location	Nation-wide	
Safeguard Categories		
Environment	C	
Involuntary Resettlement	C	
Indigenous Peoples	C	
Summary of Environmental and Social Aspects		
Environmental Aspects	No action required.	
Involuntary Resettlement	No action required.	

Indigenous Peoples	No action required.
Stakeholder Communication, Participation, and Consultation	
During Project Design	A range of stakeholders were consulted to identify the impacts of the exogenous shocks and align ADB's assistance with the government's needs, including (i) the Ministry of Finance, (ii) the Ministry of Economic Affairs, (iii) Ministry of Industries and Production, (iv) Ministry of National Food Security and Research, (v) Benazir Income Support Program, and (vi) International Monetary Fund.
During Project Implementation	An independent third-party survey of beneficiaries will be conducted to assess the effectiveness, efficiency, and credibility of the of the government's countercyclical expenditure measures as part of the agreed monitoring and evaluation framework between ADB and the government.

Business Opportunities	
Consulting Services	Not applicable.
Procurement	Not applicable.

Responsible ADB Officer	Tora, Laisiasa Natakubu
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Public Management, Financial Sector and Trade Division, CWRD
Executing Agencies	Ministry of Finance

Timetable	
Concept Clearance	-
Fact Finding	18 Aug 2022 to 25 Aug 2022
MRM	14 Sep 2022
Approval	21 Oct 2022
Last Review Mission	-
Last PDS Update	21 Oct 2022

Loan 4234-PAK

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	1,250.00	Cumulative Contract Awards			
ADB	1,250.00	-	0.00	0.00	%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	-	0.00	0.00	%

Loan 4235-PAK

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	250.00	Cumulative Contract Awards			
ADB	250.00	-	0.00	0.00	%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	-	0.00	0.00	%

Project Page	https://www.adb.org/projects/56148-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=56148-001
Date Generated	24 October 2022

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