



# Pakistan: Financial Markets Development Program

Project Name	Financial Markets Development Program	
Project Number	53221-002	
Country	Pakistan	
Project Status	Proposed	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA: Financial Markets Development 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	Finance - Finance sector development	
Gender Equity and Mainstreaming	Some gender elements	
Description	<p>The transaction TA will support diagnostic studies, policy dialogue, and the preparation of the proposed Financial Markets Development Program. It will also help the Pakistan Government formulate a national capital market development master plan. The reforms under the program will serve to remove the binding constraints to the achievement of a vibrant capital market, such as (i) ad hoc government debt management practices and absence of a clear capital market development strategy for debt issuances; (ii) shallow and illiquid corporate bond and equity markets, and ineffective market facilitation; and (iii) fragile market stability. The TA will also explore the measures required to encourage broader participation of institutional investors in Pakistan's securities markets, and to lay the groundwork for introducing alternative financing instruments, such as derivatives, as the financial markets develop.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>A central objective of the Pakistan government's economic development strategy, as reflected in Pakistan 2025: One Nation, One Vision, is to elevate Pakistan's status from a lower-middle-income to an upper-middle-income country by 2025. The government targeted the generation of jobs and an increase in income levels as top priorities. Achieving these objectives will require substantial investments of private and public capital to accelerate economic growth. Robust and well-functioning financial markets will help mobilize these resources, and can also meet the financing needs for housing and infrastructure, two other top priorities of the government. In collaboration with ADB, the government has implemented major financial market reforms since the late 1990s, through three sector development programs. These were effective in gradually liberalizing the financial markets and brought significant progress. The government recognizes the importance of continuing on this path and to build a strong and inclusive finance sector.</p> <p>ADB's Strategy 2030 prioritizes the development of the finance sector and capital markets to encourage the participation and growth of the private sector and enhance financial stability. Private sector investment is seen as a key driver of economic growth, and its facilitation is key in Pakistan's endeavor to transform the economy into a competitive marketplace. It is also a strategic area for ADB support in the country partnership strategy, 2015-2019 for Pakistan.</p>	
Impact		
Outcome		
Outputs		
Geographical Location	Nation-wide	
Summary of Environmental and Social Aspects		
Environmental Aspects		
Involuntary Resettlement		
Indigenous Peoples		
Stakeholder Communication, Participation, and Consultation		
During Project Design		
During Project Implementation		
Business Opportunities		
Consulting Services	<p>ADB will engage a team of individual consultants to implement the TA. It is estimated that the TA will require 12 person-months of international and 7 person-months of national consultant services. The consulting team will have expertise in capital market development and facilitation across diverse technical areas (including institutional, legal and regulatory, and infrastructure aspects), and in the development of alternative financing platforms and instruments. ADB will engage the consultants following the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration and/or staff instructions.</p> <p>In addition to the consultants, the TA will engage resource persons to provide complementary international or national perspectives and up-to-date knowledge, and participate in and present at the workshops, seminars, or conferences. The number of resource persons and the person-months will be determined during TA implementation.</p>	
Responsible ADB Officer	Syed Ali-Mumtaz H. Shah	
Responsible ADB Department	Central and West Asia Department	
Responsible ADB Division	Public Management, Financial Sector and Trade Division, CWRD	

Executing Agencies

Ministry of Finance  
Q-Block, Finance Division,  
Pak Secretariat, Red Zone, Islamabad,  
Pakistan

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Timetable	
Concept Clearance	-
Fact Finding	-
MRM	-
Approval	-
Last Review Mission	-
Last PDS Update	16 Jul 2019

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Project Page	<a href="https://www.adb.org/projects/53221-002/main">https://www.adb.org/projects/53221-002/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=53221-002">http://www.adb.org/forms/request-information-form?subject=53221-002</a>
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