

ADB

Asian Development Bank

Pakistan Resident Mission

2 February 2015

Mr. Muhammad Saleem Sethi
Secretary, Economic Affairs Division
Government of Pakistan
Islamabad

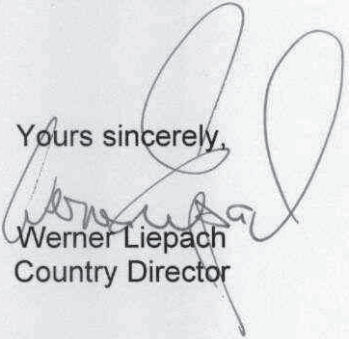
Dear Mr. Sethi,

Subject: Subject: Quarterly Portfolio Performance Review – Fourth Quarter 2014

Please refer to our letter of 15 January 2015. We are sending the background paper of portfolio review as attached. We will refer to this document while having discussions with the federal, provincial governments and agencies.

Best regards,

Yours sincerely,


Werner Liepach
Country Director

cc;

Secretary Ministry of Communications, Islamabad
Secretary Ministry of Water and Power, Islamabad
Secretary BISP, Islamabad
Chairman, National Highway Authority, Islamabad
Additional Secretary, Economic Affairs Division, Islamabad
ACS, Planning and Development Department, Khyber Pakhtunkhwa
Chairman, Planning and Development Board, Punjab
ACS, Planning and Development Department, Sindh, Karachi
Managing Director, NTDC, Lahore
Managing Director, PEPCO, Lahore
Project Director REDSIP, Khyber Pakhtunkhwa, Peshawar
Project Director REDSIP, Punjab, Lahore
Project Director FERP NHA, Islamabad
Project Director FERP, Works and Services, Hyderabad
Project Directors/PMO Barrages, Irrigation Department Punjab, Lahore
Project Directors IESCO, GEPCO, LESCO, HESCO, FESCO, MEPCO, QESCO, PESCO
Project Director, Jamshoro Power Project
Program Support Unit, SCIIP, Karachi

Attached: Background Paper



Asian Development Bank

Pakistan Resident Mission

2 February 2015

Mr. Muhammad Saleem Sethi
Secretary, Economic Affairs Division
Government of Pakistan
Islamabad

Dear Mr. Sethi,

Subject: Quarterly Portfolio Performance Review (QPPR) for Quarter – IV 2014

Please refer to our letter of 26 January 2015 regarding Quarterly Portfolio Performance Review (QPPR)-IV Mission. Due to the visit of Director General CWRD, ADB to Pakistan from 10-12 February 2015, the Mission schedule is slightly revised as attached. We request to please circulate to concerned ministries and agencies.

We are sorry for the inconvenience.

Best regards,

Yours sincerely,



Werner Liepach
Country Director

cc;

Secretary Ministry of Communications, Islamabad
Secretary Ministry of Water and Power, Islamabad
Secretary BISP, Islamabad
Chairman, National Highway Authority, Islamabad
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Managing Director, NTDC, Lahore
Managing Director, PEPCO, Lahore
Joint Secretary, Economic Affairs Division, Islamabad
GM (ADB), NHA, Islamabad
Deputy Secretary ADB, Economic Affairs Division, Islamabad
Project Director REDSIP, Khyber Pakhtunkhwa, Peshawar
Project Director REDSIP, Punjab, Lahore
Project Director FERP NHA, Islamabad
Project Director FERP, Works and Services, Hyderabad
Project Directors/PMO Barrages, irrigation Department Punjab, Lahore
Project Directors IESCO, GEPCO, LESCO, HESCO, FESCO, MEPCO, QESCO, PESCO
Project Director, Jamshoro Power Project
Program Support Unit, SCIIP, Karachi

QPPR-IV 2014
Mission's Schedule

| Date | Time | Meeting |
|-------------|---------------|---|
| 4 Feb | 1000-1100 hrs | Kick-off meeting at EAD, Islamabad |
| 4 Feb | 1100-1230 hrs | PEDO Khyber Pakhtunkhwa (at EAD, Islamabad) |
| 5 Feb | 1900-2100 hrs | Travel to Karachi |
| 6 Feb | 1000-1200 hrs | ACS, Planning and Development Department, Karachi (at Sindh Secretariat, Karachi) |
| 7 Feb | 1100-1300 hrs | Visit Jamshoro Power Plant |
| 7 Feb | 1400-1600 hrs | Travel to Islamabad |
| 9 Feb | 1000-1200 hrs | Ministry of Water and Power, Islamabad |
| 9 Feb | 1430-1530 hrs | Benazir Income Support Program, Islamabad |
| 12 Feb | 1330-1830 hrs | Travel to Lahore |
| 13 Feb | 0930-1100 hrs | Chairman, Planning and Development Board, Lahore (at P&DD Lahore) |
| 13 Feb | 1130-1300 hrs | PEPCO, NTDC, DISCOs, GENCO (at WAPDA House Lahore) |
| 13 Feb | 1400-1900 hrs | Travel to Islamabad |
| 24 Feb | 1400-1600 hrs | NHA (at NHA Head Office Islamabad) |
| 25 Feb | 1000-1200 hrs | Wrap up with EAD |



February 2015

Pakistan
Quarterly Portfolio Performance Review
Fourth Quarter 2014

Asian Development Bank

CURRENCY EQUIVALENTS

(31 December 2014)

Currency Unit – Pakistan rupee

PR 1.00 = \$0.00989854

\$1.00 = PRs 101.025

ABBREVIATIONS

| | |
|--------|--|
| ADB | Asian Development Bank |
| ADF | Asian Development Fund |
| AGP | Auditor General of Pakistan |
| CPRM | country portfolio review mission |
| DISCOs | distribution companies |
| EAD | Economic Affairs Department |
| ED | Energy Department |
| FY | fiscal year |
| GoKP | Government of Khyber Pakhtunkhwa |
| GoPb | Government of Punjab |
| GoS | Government of Sindh |
| IA | implementing agency |
| ICB | international competitive bidding |
| LAR | land acquisition and resettlement |
| LARP | land acquisition and resettlement plan |
| MoC | Ministry of Communications |
| MFF | multi-tranche financing facility |
| NCB | national competitive bidding |
| NHA | National Highway Authority |
| NTDC | National Transmission and Despatch Company |
| OCR | ordinary capital resources |
| PEPCO | Pakistan Electric Power Company |
| PFR | periodic financing request |
| PIU | project implementation unit |
| PMU | project management unit |
| PRM | Pakistan Resident Mission |
| PRs | Pakistan rupees |
| PSU | project support unit |
| QPPR | quarterly portfolio performance review |
| TA | technical assistance |
| W/A | withdrawal application |
| W&SD | Works and Services Department |

NOTES

- (i) The fiscal year (FY) of the Government ends on 30 June
- (ii) In this report, "\$" refers to US dollars

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Pakistan
Quarterly Portfolio Performance Review
Fourth Quarter 2014

I. INTRODUCTION

1. The Quarterly Portfolio Performance Review – Fourth Quarter 2014 (QPPR-IV) will be conducted during 4-24 February 2015 by Asian Development Bank (ADB) and the Government of Pakistan (the Government). It will be a joint review four months after the annual country portfolio review (CPR) that was concluded in October 2014. The QPPR-IV Mission (QPPR Mission) will review the status of the ADB-financed portfolio of loans and grants projects as of the quarter ended on 31 December 2014.

2. The Mission will (i) review the status of agreed actions of CPR 2014; (ii) examine the country portfolio performance as measured by key indicators; (iii) assess the latest project outputs achieved under the active portfolio; (iv) review progress in achieving disbursement and contract awards target; and (v) review the status of project specific agreed actions. This background paper is prepared by the Mission and will form the basis for discussion with the Government, and executing and implementing agencies. The Mission will present the findings in the wrap-up meeting with Secretary EAD, followed by submitting an Aide Memoire.

II. PORTFOLIO OVERVIEW

3. The Pakistan active public sector loan portfolio amounts to \$5.51 billion as of 31 December 2014, including 35 active loans for 24 projects and 1 policy based lending. There are 21 active technical assistance (TA) projects amounting to \$20.15 million, including 10 TAs approved in 2014 for \$8.6 million. The portfolio does not have any grant financed projects. Of the 24 active investment projects, 16 projects (\$4.3 billion) were ongoing, 6 projects (\$776 million) were requiring signing or/and effectiveness and, 2 projects (\$69.1 million) that were completed on 30 June 2014, required closure of loan accounts by October 2014, however still not closed.

4. In 2014, 2 loan financed projects amounting to \$201.1 million were closed while 7 new projects of \$976 million were approved, in addition to one policy based lending in energy sector amounting to \$400 million. During the year, the yearly disbursement was more than \$850 million which is the highest achievement since 2009. In addition, the TA portfolio steadily increased from 15 projects (\$15.2 million) in 2013 to 21 (\$20.1 million) in 2014.

5. In 2014, overall, there was good progress in expanding the portfolio from \$4.49 billion in 2013 to \$5.51 billion by the end of 2014, including resumption of policy based lending. With the anticipated new approvals of more than a billion dollars per year as indicated in the Country Operations Business Plan (COBP) 20015-2017 in the next three years, and phased closure of ongoing loans, the active portfolio size will remain above \$5 billion. On the other hand, time over run in large contracts completion and respective loan period, construction and contract management, audit compliance and loan account closures remain a challenge.

6. The Energy Sector now comprises half of the Pakistan's active portfolio and is likely to grow in the coming years. The remaining portfolio consists of Transport (16%), Agriculture and Natural Resources (13%), Multi-sector (emergency project, 11%), Health and Social Protection (7%), and Water and other urban infrastructure and services (2%).

7. In terms of lending modality, the multi-tranche financing facility (MFF) accounts for 51% of the active portfolio, while the remainder comprised project loans (42%) and a policy based lending (7%). About \$1,460 million (27%) of the loan portfolio is financed from the Asian Development Fund (ADF) while the rest \$4.05 billion (73%) comes from ADB's Ordinary Capital Resources (OCR).

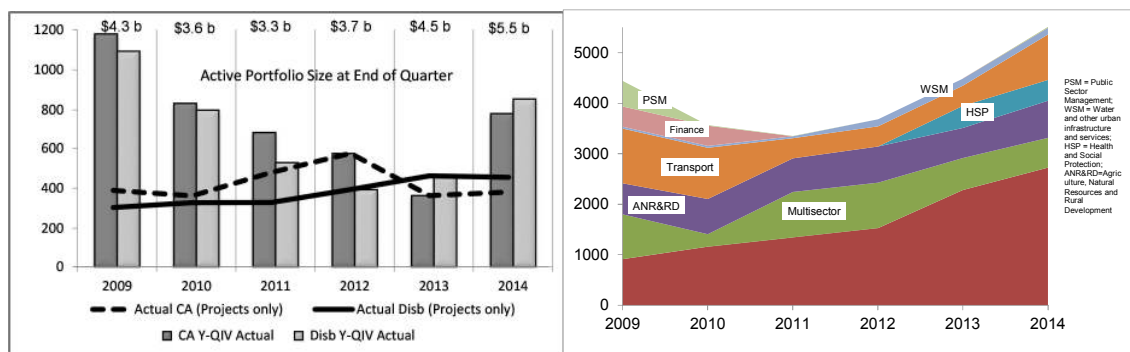
8. The average age of the ongoing project portfolio¹ is 3.7 years with an average projected implementation period of 5.5 years and the contract award commitments and disbursements stand at \$2.07 billion and \$1.42 billion respectively, representing 49% and 34% of the net loan amount of \$4.2 billion. The active loan portfolio (\$5.51 billion) including newly approved projects will phase out in 2024 (unless extended) as; 2015 (\$1.6 billion), 2016 (\$756 million), 2017 (\$1.1 billion), 2018 (\$327 million), 2019 (\$1.5 billion) and 2020-2024 (\$236 million).²

9. **Fourth Quarter Historic Trend:** The following figure shows a time series comparison of contract awards/disbursements (CAD) achievements till the fourth quarter in a year. During the same period, the size of active portfolio decreased, from about \$4.3 billion³ in 2009 to \$3.7 billion in 2012 due to decrease in policy based lending; in 2013 and 2014, the portfolio grew due to large volume of approvals especially in Energy Sector (\$1.7 billion) and resumption of policy based lending.

10. The disbursements since 2009, after falling for three years has regained significantly in 2014. The project based disbursements, remaining on average at less than \$350 million in 2009-2012, exceeded \$450 million in 2013-2014. However, looking at the portfolio excluding program lending, contract awards moved upwards during 2011-2012 (due to awards in Flood Emergency Reconstruction Project) however reduced again in 2013-2014 and maintaining at less than \$400 million a year.

11. The following figure shows historic sector growth in the last 5 years at the end of fourth quarter each year. The Energy sector increased from about \$900 million in 2009 to more than \$2.7 billion in 2014. There is a stable volume of portfolio in Agriculture, Natural Resources and Rural Development sector (ANR&RD) amounting to \$600-700 million per year, while rest of the sectors show a mix trend.

Figure-1: Achievements and Sector Growth
End of Quarter - IV (2009-2014)



¹ Excluding (i) new loans approved in 2014 which are not signed or reached effectiveness as of 31 December 2014; (ii) loans still active and only requiring accounts closure as of 31 December 2014; (iii) loans which are support component of MFFs or technical assistance loan (with smaller amount and large implementation period); and (iv) policy based lending
² Includes 4 months of winding up period after loan closing for loan account closure
³ Net Amount at the end of quarter

12. **Changes till Quarter IV 2014:** During the second quarter of 2014, loans were approved amounting to \$0.79 billion. The project based disbursement gradually increased from \$79 million to \$154 million; likewise, the contract award increased linearly during the year from \$9.8 million in first quarter to \$193 million in the last quarter. Earlier during the year in February 2014, the portfolio review mission⁴ assessed disbursement to reach about \$485 million (excluding policy based lending); however it fell short of target by \$30 million and instead concluded at \$455 million. In last two quarters, 2 loans required financial closure however could not be closed after lapse of their winding up period. The following table summarizes the key changes in the quarters during 2014.

Table-1: Key Quarterly Portfolio Changes in 2014

| Description | Unit | | | QTR-I | | | QTR-II | | | QTR-III | | | QTR-IV | | |
|---|------|----------|-----|-------|----|------|--------|----|------|---------|----|------|--------|----|------|
| | No | Projects | \$b | 26 | 17 | 4.29 | 28 | 19 | 4.64 | 30 | 20 | 4.74 | 34 | 24 | 5.11 |
| Active Loans (as of end of quarter) | No | Projects | \$b | - | - | - | 1 | 1 | 0.40 | 1 | 1 | 0.40 | 1 | 1 | 0.40 |
| Ongoing implementation | No | Projects | \$b | 21 | 14 | 2.79 | 22 | 15 | 3.17 | 21 | 14 | 3.23 | 25 | 16 | 4.30 |
| Awaiting Signing | No | Projects | \$b | 1 | 1 | 0.16 | 2 | 2 | 0.40 | 4 | 3 | 0.54 | 5 | 5 | 0.60 |
| Awaiting Effectiveness | No | Projects | \$b | 4 | 2 | 1.34 | 4 | 2 | 1.07 | 3 | 1 | 0.89 | 2 | 1 | 0.14 |
| Awaiting Fin. Closure | No | Projects | \$b | | | | | | | 2 | 2 | 0.07 | 2 | 2 | 0.07 |
| Accounts Closed | No | Projects | \$b | 2 | 2 | 0.20 | | | | | | | | | |
| New Approvals (Projects) | No | Projects | \$b | | | | 2 | 2 | 0.39 | 2 | 1 | 0.14 | 4 | 4 | 0.44 |
| New Approvals (Projects) | No | Program | \$b | | | | 1 | 1 | 0.40 | | | | | | |
| Contract Awarded in Qtr. <i>With program</i> | | \$m | | 9.80 | | | 484.6 | | | 103.4 | | | 183.9 | | |
| <i>Without program loan</i> | | \$m | | 9.80 | | | 85.5 | | | 103.4 | | | 183.9 | | |
| Disbursements in Qtr. <i>With program</i> | | \$m | | 81.1 | | | 492.6 | | | 138.3 | | | 142.7 | | |
| <i>Without program loan</i> | | \$m | | 81.1 | | | 93.4 | | | 138.3 | | | 142.7 | | |

III. PORTFOLIO PERFORMANCE

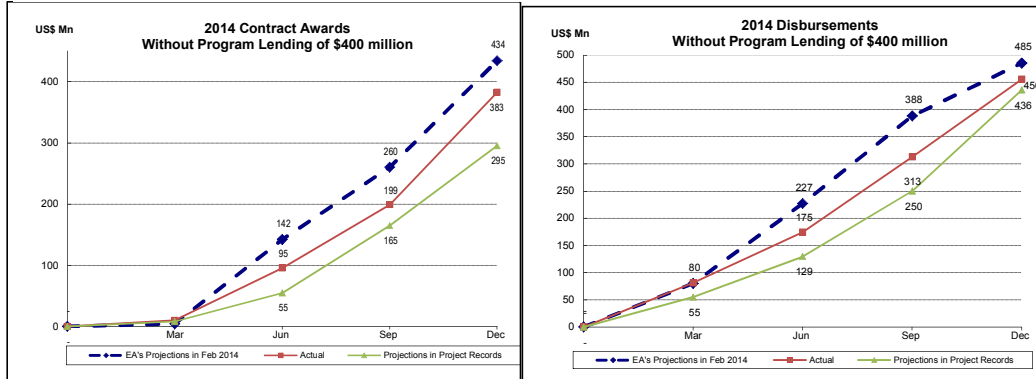
13. **Contract Award/Commitment and Disbursement Performance:** According to the e-ops project profiles (system records maintained by ADB) for the entire implementation period, \$573 million was the target for contract awards during the year at start of 2014 which was later revised to \$295 million. Simultaneously, during quarterly portfolio review in the first quarter of 2014, discussions were held with EAs on the likely achievement of targets. In parallel to e-ops, EAs agreed to award \$434 million.

14. Against the target of \$434 million, \$383 million was achieved; major underachievement was due to unsuccessful award of remaining contracts in Power Transmission Enhancement Investment Program Tranche III. Similarly, the project profiles for the entire implementation period recorded annual target of disbursement as \$519 million, which was later revised to \$436 million after review missions were carried out and discussions were held with EAs and ADB's project teams.

15. The EA's assessment at the start of year was \$485 million. As of last quarter 2014, \$455 million was disbursed in projects. The \$30 million shortfall in disbursements from the EA's annual assessment occurred in Energy Sector, Tranche I and II of Punjab Irrigated Agriculture Investment Program and Flood Emergency Reconstruction Project (FERP).

⁴ Fourth Quarter 2013 Quarterly Portfolio Review from 24 February to 5 March 2014

Figure 2: Contract Award and Disbursements in 2014



16. **Sector and EAs Performance:** The following table presents the sector achievements against the targets showing the contract awards and disbursements performance. The Energy Sector has achieved major contract awards however fell short of the EA’s assessment. The disbursements generally follow the assessment at the year beginning, with some slippages across ANR, Energy and Multisector. The details are given in Appendix 1.

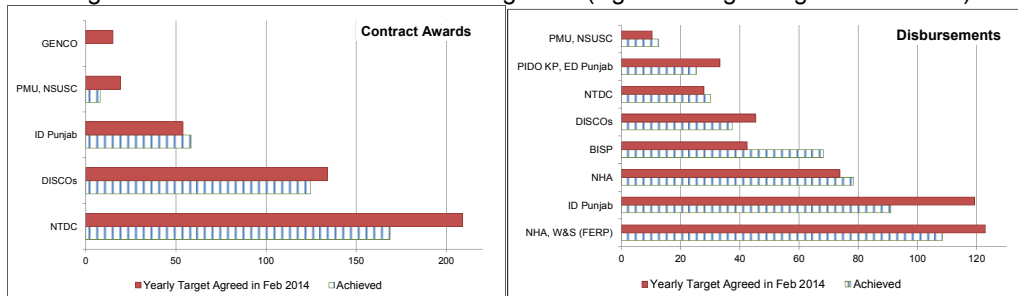
Table-2: Contract Award and Disbursements in Projects by Sector – 31 December 2014

| Sectors | Contract Award \$m (2014) | | | Disbursements \$m (2014) | | |
|--------------|---------------------------------|------------|----------------------------|---------------------------------|------------|----------------------------|
| | Yearly Projections | | Achieved till Quarter – IV | Yearly Projections | | Achieved till Quarter – IV |
| | e-ops | By EAs | | e-ops | By EAs | |
| A&NR | 3 | 54 | 58 | 113 | 119 | 91 |
| Energy | 163 | 358 | 293 | 153 | 117 | 97 |
| HSP | | 2 | 18 | 14 | 42 | 68 |
| MS | 66 | | 2 | 72 | 123 | 108 |
| Transport | 52 | | 3 | 69 | 74 | 78 |
| W&OMIS | 11 | 19 | 8 | 15 | 10 | 13 |
| Total | 295 | 434 | 383 | 436 | 485 | 455 |
| | (129%) e-ops (88%) EAs | | | (104%) e-ops (94%) EAs | | |

A&NR = Agriculture and Natural Resources, MS = Multisector, W&OMIS = Water & Other Municipal Infrastructure & Services, HSP = Health and Social Protection
 Note: This does not exclude policy based lending in Energy Sector amounting to \$400 million

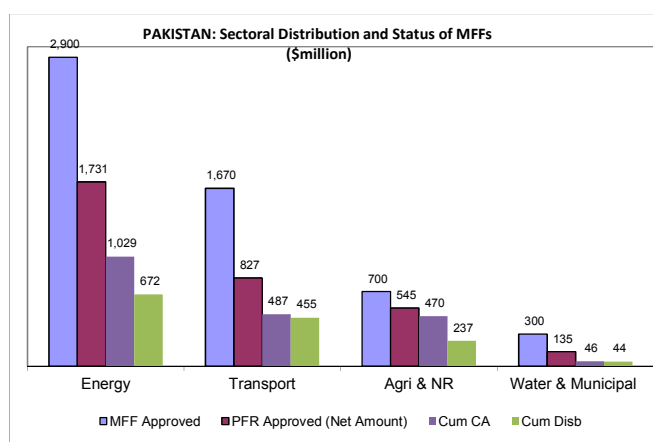
17. The CAD targets and achievements by leading EAs are presented below. These agencies are National Transmission and Despatch Company (NTDC), power distribution companies (DISCOs), Punjab Irrigation departments (ID), National Highway Authority (NHA), Works and Services (W&S) Sindh, Benazir Income Support Program (BISP) and EA under Renewable Energy Development Sector Investment program. Major underachievement in contract awards occurred under NTDC. In disbursements, ID, DISCOs EAs under FERP and REDSIP achieved less than the assessment which was offset by disbursements under BISP through release of imprest advance.

Figure 3: Performance of EAs/IAs during 2014 (Against Targets Agreed with EAs)



18. The performance of each MFF, their remaining period till respective closure, or amount available, shows that it is highly unlikely that further tranches could be processed for new works. This is further confirmed under COBP 2015-17 which does not reflect tranche for new project under existing MFFs. Of all MFFs, ANR sector has mostly utilized the available facility amount while in all other sectors about half of the amount stands uncommitted. The Transport sector has recovered slightly with two new loans approved under MFFs in 2014 (\$327 million). As evident, most of the PFRs are processed in the Energy Sector; more than the volume of all other sector combined. Of all the EAs, DISCOs have performed better with \$765 million of net loan amount committed as of 31 December 2014 out of the financing facility of \$810 million.

Figure 4: MFF Performance as of 31 December 2014



IV. SECTOR OVERVIEW

19. **Energy:** There are 16 active loans for \$2,727.1 million, comprising 10 projects in the Energy sector. MFFs constitute 52%, project loans, 33%, and the program loans are 15% of the total energy sector portfolio. As of 31 December 2014, the ongoing portfolio size is \$2.4 billion. The investments in energy sector are for energy sector reforms, energy efficiency, power generation, power distribution and transmission enhancement and, renewable energy development. All projects are administered by federal government organizations except for the Jamshoro Power Generation Project, being implemented by GENCO Holding Company Limited, and one MFF tranche for renewable energy development, for which implementing agencies are from the provinces of Punjab and Khyber Pakhtunkhwa.

20. Of 13 ongoing loans, amounting to \$2.4 billion, the cumulative contract awards and disbursements are \$1.1 billion and \$746 million - about 45% and 30% of the net loan amount respectively. The details are given in Appendix 2 and the status of projects with major implementation challenges is presented below:

- i. **Energy Efficiency Investment Program Tranche I:** The investment component closed in June 2014⁵ with 30 million Compact Fluorescent Lamps (CFLs) procured and reached respective warehouse of the distribution companies. Of this, only 81% were distributed to the households, as some households no longer use incandescent fluorescent lamps for replacement. ADB gave no objection on 14 January 2015 to Ministry of Water and Power's to use the contingency plan for distributing the remaining 5.8 million CFLs by 31 March 2015.

⁵ Loan 2552-PAK MFF-Energy Efficiency Investment Program - Tranche I

- ii. At present, project closure is required including consideration of EA's request for an extension of the winding up period, to clear all outstanding payments and an extension on AFD portion of the loan by 31 March 2015. This will be discussed during the Mission.
- iii. The investment support component of the project⁶ is totally in a stalled position. The long overdue commitment of fully establishing Program Management Office (PMO) has not been met which has delayed commencement of activities under the component. It was agreed during CPR 2014 that the loan could be closed or the government should establish the PMO at the latest by December 2014. The Mission will discuss with EAD on this issue.
- iv. **Renewable Energy Development Sector Investment Program Tranche I:** The project had been extended twice, last time until 30 June 2016. As of now, after lapse of 8 years since approval, implementation of Punjab component comprising 4 hydropower plants (HPPs) remains very slow particularly after initial delays and later during construction, as stated below.
- v. The physical progress on Deg Outfall and Chianwali HPPs is only 5% while Marala and Pakpattan HPPs have reached 28% progress. All four contracts in Punjab are with one contractor which is limiting contractor's ability to adhere to the construction schedule. An immediate concern on Marala and Pakpattan is the decision on contractor's request for changing manufacturer pending since more than a year. Given the slow progress in Punjab, it is likely that part of works will remain incomplete by 30 June 2016. The Mission will like to take up this issue in the meeting with Government of Punjab.
- vi. The KP component could not complete by December 2014 (as targeted during CRP 2014) and with current progress of 72% on Machai HPP and 75% on Ronolia HPP, it is expected that projects will complete by June 2015.
- vii. **Power Distribution Enhancement Investment Program (PDEIP):** The Tranche-I loan account was closed in January 2014 after a delay of about 18 months after completion. The CAD performance of Tranche II⁷ shows \$132 million awarded of which \$100 million disbursed, against the loan amount of \$172 million. The project is rated as "Potential Problem" due to pending award of works and ensuing disbursements due to following reasons:
 - a. As a result of misprocurement for supply of 12 transformers, LESCO re-advertised the package in December 2013 and opened the bids in February 2014. It took about 10 months to finalize bid evaluation, finally receiving ADB's approval in December 2014.
 - b. Substantial delays in implementation of sub-projects for construction of two new grid stations in LESCO due to delays in approval of design.
 - c. LESCO has historically shown lack of decision making, ownership, and management capacities. This, coupled with the frequent changes at staff at management level, has resulted in procurement delays.
 - d. FESCO's two contracts for supply of 20 transformers could not be signed due to stay in the court since long.

⁶ Loan 2553-PAK(SF) MFF-Energy Efficiency Investment Program - Tranche I

⁷ Tranche II (2727-PAK) MFF-Power Distribution Enhancement Investment Program - Tranche II

- viii. The Tranche-III⁸ was approved in December 2012, signed after lapse of 9 months and became effective in December 2013. Initial start-up delays were offset by advance procurement actions by the project teams and in 2014, achieved \$114.5 million award of works (about half of the loan amount in half of the elapsed period since approval). So far, out of total 106 subprojects, contracts for 50 subprojects have been awarded. The project has to award remaining works and disburse by the end of 2016.
- ix. **Power Transmission Enhancement Investment Program (PTEIP):** The implementation of Tranche-II⁹ closed on 31 December 2014 after two six-monthly extensions since December 2013 to provide additional period for completion of remaining works. Upon closure, 9 of 10 subprojects have completed. The subproject at 500kV substation in Lahore is pending due to a legal dispute between the main contractor and the subcontractor and, the installation of telecommunications equipment at 220 kV grid stations at Toba Tek Singh and Okara is still on-going. The proposal for financing outstanding activities under Tranche III is currently under review. In parallel, the loan account should be closed as soon as winding up period is over.
- x. The Tranche-III¹⁰ is continuously facing procurement challenges since approval in December 2011 due to delay in the bid evaluation process, issues with quality and accuracy of bid evaluation reports, leakage of confidential information, and representations from bidders. In 2014, major contracts were awarded amounting to \$167.8 million however the contracts have not yet reached effectiveness. The remaining contracts of about \$30 million are likely to be awarded in second or third quarter of 2015. None of the awarded contracts are expected to complete within the existing loan closing date of 30 June 2016. This is also critical from the closing date of MFF. The Mission will discuss the procurement and implementation milestones.

21. **Transport:** The transport portfolio comprises of 6 active projects amounting to \$1.27 billion including transport component of the Flood Emergency Reconstruction Project, amounting to \$374 million. Of this, MFFs account for 55% of the active transport portfolio, whereas the remaining are stand-alone projects. No major contracts were awarded in 2014 as in ongoing portfolio all works were already awarded. Of the three loans that were approved in 2014 (\$522 million), one¹¹ could be declared effective in November 2014. After closure of three loans in 2014 and early 2015, the sector will comprise of a very young portfolio, with construction beginning in 2015. The disbursement performance of the sector was significant with an achievement (\$186 million) which represent 40% of the project based disbursements in Pakistan portfolio; significant disbursements were achieved under FERP. Below is a brief description of the implementation status on different projects:

- i. **National Trade Corridor Highway Investment Program Tranche I (NTCHIP):** The loan closing date was extended for 9 months, from 30 June 2014 to 31 March 2015. As of 31 December 2014, the physical progress has reached 98%, with main carriageway and interchanges completed and only ancillary works are in progress. Currently, there is no significant issue other than resolution of a dispute between contractor and NHA, wherein the dispute board decided in favour of the contractor's claim amounting to \$7.5 million. Of this, NHA paid a partial amount of \$3.1 million. ADB advised that if the dispute can be settled

⁸ Tranche III (2972-PAK) MFF: Power Distribution Enhancement Investment Program-Project III

⁹ Loan 2396 PAK MFF-Power Transmission Enhancement Investment Program Tranche II

¹⁰ Loan 2846 PAK Power Transmission Enhancement Investment Program Tranche III

¹¹ Loan 3121-PAK MFF: National Trade Corridor Highway Investment Program Tranche II

before loan closing, the amount could be paid from the loan, avoiding unnecessary financial burden on NHA later.

- ii. **National Highway Development Sector Investment Program Tranche II:** The loan was closed on 31 December 2014 after extended twice for a cumulative period of 12 months. Both subprojects; Qilla Saifullah-Zhob road and Sukkur-Jacobabad road have completed. On the former, there is dispute between the contractor and NHA wherein the dispute board has decided in favour of the contractor. According to the contract, the dispute board's decision is binding on the parties and should be given immediate effect. ADB advised that if the dispute can be settled before loan closing, the amount could be paid from the loan, avoiding unnecessary financial burden on NHA later.
- iii. **Flood Emergency Reconstruction Project:** The loan was extended from 30 September 2014 to 25 May 2015 for completing the remaining works under the national highways component. As of 31 December 2014, the overall progress reached 79% against 90% of elapsed time. Of 19 awarded works, 7 projects have completed while rest are in progress; against the major rehabilitation and reconstruction works, 282 km (out of total 338 km) and 5 bridges have physically been completed. All remaining projects are expected to complete by or before the loan closing date, of which critical works are three major hill slides on Kohala-Muzaffarabad road.
- iv. On the other hand, the provincial road component performed well and all subprojects were completed by September 2014. The Mission will like to discuss the loan closure activities including surplus loan amount.
- v. **New Projects approved in 2014:** In 2014, 3 projects were approved for construction of expressway and national highway development, amounting to \$552 million as follows:
 - a. The **National Highway Network Development in Baluchistan Project** was approved on 27 June 2014 (\$195 million). The loan has not been signed since then. During the ADB's Transport sector mission in November 2014, it was observed that bid documents have considerably been delayed and it was now difficult to mobilize the consultant by June 2015. This will effect commencement of construction. The Mission would discuss the milestones for loan signing and effectiveness, and completing the recruitment of consultant and procurement.
 - b. The **Tranche II and III of NTCHIP** were approved in April and November 2014 respectively. The tranche II is in advance stage: two contracts or Hassanabdal Havelian Expressway (E35) were signed by the end of 2014 and work will commence soon. Under tranche III, the invitation for bid was issued on 25 November 2014, and it is expected that contract will be awarded in second quarter of 2015. The final LARP will be submitted in January 2015; as of late November 2014, 74% land compensation was completed.

22. **Agriculture, Natural Resources and Rural Development:** In the ANR sector, loan account of Sindh Coastal Community Development Project (\$29.8 million) was closed in January 2014. The active portfolio comprises of 9 loans for 6 projects amounting to \$948 million, including irrigation component of FERP (\$215.6 million). The sector performance on contract award and disbursement remained satisfactory. As of 31 December 2014, contract awards were \$58.4 million, whereas the disbursements stood at \$91.9 million.

- i. **Punjab Irrigated Agriculture Investment Program:** The Tranche I¹² is facing serious implementation issues and is currently rated as “Potential Problem”. The performance of contractor on two subprojects, Balloki Barrage and Balloki & Okara distribution system, remained very poor despite various notices to correct issued to the contractors by Engineer and the EA. Similarly, completion of two other sub-projects, due to delayed award and commencement, falls beyond the already extended loan closing date of 30 September 2015. Finally, one contract has not been awarded yet (\$13 million). Other than time overrun, loan amount is insufficient to meet the cost increase in the project which has occurred due to exchange rate fluctuation and cancellation of loan amount in the past.
- ii. Currently, award of last contract, extension of time and additional financing depends on EA’s decision on two non-performing contracts where notice period of improvement in performance has expired on 31 January 2015. Forecasting this, ADB has included additional financing in COBP 2015-17. The Mission will discuss with Government of Punjab and EAD on this challenge enabling ADB to decide on the Government’s preliminary proposal for additional financing and extension of time.
- iii. The Tranche II (New Khanki Barrage) and Tranche III (Pak Pattan Canal and Sulaimanki Barrage) are progressing well. All civil works and consultancy contracts under Tranche II and III are awarded and work is in progress.
- iv. **New Projects approved in 2014:** In 2014, two stand-alone projects were approved; Trimmu and Panjnad Barrages Improvement Project¹³ and FATA Water Resources Development Project¹⁴. The former is not yet effective while in later, loan is not signed as the PC-1 is still under approval process by CDWP. The Mission will discuss the start-up activities with EAD.

23. **Water and other municipal infrastructure and services sector:** There are two ongoing loans (\$95.4million) for two projects under MFF Sindh Cities Improvement Investment Program. The Tranche I completed in June 2014 and the account closure is overdue by four months now. The long overdue issue of appointment of new board has now been resolved. Similarly appointments on management and managerial positions have also been made except for the Management Director, and the Director Capital Works. The outstanding issues under the program are related to; (i) approval of Operational Support Fund (OSF) for 2014-15, and transfer of Rohri Landfill site in Tranche I; (ii) land acquisition payment for Shikarpur landfill site under Tranche I; (iii) revision in tariff schedule; (iv) revisions in service and management agreements (SAMA); and (v) long delays in procurement. The project rating is “Potential Problem” due to start-up delays and not achieving the yearly targets.

V. SUMMARY OF MISSION’S AGENDA

24. The following table presents the summary of proposed agenda of the Mission. The projects’ details are presented in respective project summary sheets attached as Annexure I which present the status of agreements of last portfolio review and proposed actions (for discussion and confirmation).

¹² Loan 2299-PAK MFF-Punjab Irrigated Agriculture Investment Program - Project 1

¹³ (Loan 3159-3160 for \$150 million) Trimmu and Panjnad Barrages Improvement Project

¹⁴ (Loan 3239-PAK for \$43 million) Federally Administered Tribal Areas Water Resources Development Project

Table-3: Summary of Mission's Agenda

| Sr. No. | Matter Requiring Attention | Actions |
|---------|---|--|
| 1 | <p>Critical Projects having significant Implementation Challenges</p> <ul style="list-style-type: none"> ▪ MFF-Energy Efficiency Investment Program – Tranche 1 (Support Component) ▪ Power Transmission Enhancement Investment Program Tranche III ▪ Renewable Energy Development Sector Investment Program ▪ Punjab Irrigated Agriculture Investment Program Tranche I | <ul style="list-style-type: none"> ▪ Insignificant progress since long, with no improvement ▪ Delays in award of works and insufficient completion period ▪ Insufficient completion period and extremely slow progress ▪ Time and cost overruns and slow progress on two contracts |
| 2 | <p>Delays in complying with Audit Requirements Status of submission of annual audited project financial statements, audit reports, and management letter for FY 2013-14</p> | <p>Review the status of audit reports in the light of delayed submission or non-submission by the deadline</p> |
| 3 | <p>CAD Projections for 2015 and Fiscal Year 2015-16</p> | <p>Agree with EAs on the CAD projections and monitor during the entire calendar year</p> |
| 4 | <p>Project Specific Action Plan Refer: Project Summary Sheets (Annexure)</p> | <p>Review the status of agreements of last portfolio review and agree on next steps</p> |
| 5 | <p>CPR Action Plan</p> | <p>Review the status of implementation of the action plan</p> |
| 6 | <p>Closure of Loan Accounts</p> | <p>Review the refund of imprest advance, submission of withdrawal applications and closure of loan accounts</p> |

Contract Awards and Disbursements from 1 January 2014 to 31 December 2014
(\$ million)

| # | Project | Contract Awards 2014 | | Disbursements 2014 | |
|---|---|----------------------|---------------|--------------------|---------------|
| | | Target | Achieved | Target | Achieved |
| Agriculture, Natural Resources and Rural Development | | 3.47 | 58.38 | 112.68 | 90.74 |
| 1 | 2310-PAK(SF): Sindh Coastal Community Development Project | - | - | - | (0.27) |
| 2 | 2299-PAK: MFF-Punjab Irrigated Agriculture Investment Program - Project 1 | - | 0.02 | 104.10 | 37.66 |
| 3 | 2300-PAK(SF): MFF-Punjab Irrigated Agriculture Investment Program - Project 1 | - | - | 0.92 | 1.42 |
| 4 | 2841-PAK(SF): Punjab Irrigated Agriculture Investment Program (Tranche 2) | 0.14 | 0.28 | 7.33 | 40.49 |
| 5 | 2971-PAK: MFF: Punjab Irrigated Agriculture Investment Program-Project 3 | 3.33 | 58.08 | 0.33 | 11.43 |
| Energy | | 163.03 | 692.61 | 552.28 | 496.59 |
| 6 | 2286-PAK: MFF-Renewable Energy Devt Sector Investment Program-Project1 | - | - | 26.19 | 25.19 |
| 7 | 2287-PAK(SF): MFF-Renewable Energy Devt Sector Investment Program-Project I | 0.06 | 0.06 | 0.16 | 0.10 |
| 8 | 2290-PAK(SF): MFF-Power Transmission Enhancement Investment Program-Tranche 1 | 0.98 | 0.97 | - | 0.39 |
| 9 | 2396-PAK: MFF-Power Transmission Enhancement Investment Program-Proj II | 7.80 | - | 37.14 | 16.24 |
| 10 | 2846-PAK: Power Transmission Enhancement Investment Program-Tranche 3 | 30.00 | 167.81 | 0.48 | 13.44 |
| 11 | 2438-PAK: MFF-Power Distribution Enhancement Investment Program Proj 1 | - | - | - | (0.05) |
| 12 | 2439-PAK(SF): MFF-Power Dist'n Enhancement Investment Prog-Tranche1,Support Pro | - | - | 0.60 | 1.64 |
| 13 | 2727-PAK: MFF-Power Distribution Enhancement Investment Program -Tranche 2 | 26.03 | 9.23 | 51.19 | 24.51 |
| 14 | 2972-PAK: MFF: Power Distribution Enhancement Investment Program-Project 3 | 73.80 | 114.51 | 15.00 | 11.12 |
| 15 | 3096-PAK: MFF: Power Distribution Enhancement Investment Program-Tranche 4 | - | 0.85 | - | 0.11 |
| 16 | 2552-PAK: MFF-Energy Efficiency Investment Program - Tranche 1 | 10.07 | - | 20.25 | 4.57 |
| 17 | 2553-PAK(SF): MFF-Energy Efficiency Investment Program - Tranche 1 | - | - | 0.00 | 0.18 |
| 18 | 3092-PAK(SF): Jamshoro Power Generation Project | 14.30 | - | 2.11 | - |
| 19 | 3126-PAK(SF): Sustainable Energy Sector Reform Program | - | 399.16 | 399.16 | 399.16 |
| Multisector | | 65.64 | 1.80 | 72.03 | 108.37 |
| 20 | 2742-PAK-01: Component A and B: National Highways and Provincial Roads | - | 1.80 | - | 107.23 |
| 20 | 2742-PAK-02: Component C: Irrigation and Drainage and Flood Protection | 60.05 | - | 71.58 | 0.48 |
| 21 | 2743-PAK(SF): Flood Emergency Reconstruction Project | 5.59 | - | 0.46 | 0.66 |
| Health and Social Protection | | 0.14 | 18.17 | 14.32 | 68.18 |
| 22 | 3049-PAK(SF): Social Protection Development Project | 0.14 | 18.17 | 14.32 | 68.18 |

| # | Project | Contract Awards 2014 | | Disbursements 2014 | |
|--|---|----------------------|---------------|--------------------|---------------|
| | | Target | Achieved | Target | Achieved |
| Transport | | 52.30 | 2.60 | 68.70 | 78.32 |
| 23 | 2540-PAK: MFF-National Highway Development Sector Investment Program-Proj 2 | 45.50 | 2.60 | 41.82 | 48.07 |
| 24 | 2400-PAK: MFF-National Trade Corridor Highway Investment Program-Proj 1 | - | - | 26.38 | 30.24 |
| 25 | 3121-PAK: MFF: National Trade Corridor Highway Investment Program-Tranche 2 | 6.80 | - | 0.50 | 0.01 |
| Water and Other Urban Infrastructure and Services | | 10.76 | 8.13 | 14.93 | 12.53 |
| 26 | 2499-PAK(SF): MFF-Sindh Cities Improvement Investment Program-Project 1 | 1.45 | 0.64 | 8.20 | 6.85 |
| 27 | 2975-PAK: MFF: Sindh Cities Improvement Investment Program-Project 2 | 2.36 | 1.86 | 1.68 | 1.45 |
| 28 | 2976-PAK(SF): MFF: Sindh Cities Improvement Investment Program-Project 2 | 6.95 | 5.63 | 5.05 | 4.24 |
| Total | | 295.34 | 781.69 | 834.95 | 854.72 |

Status of Ongoing Projects as of 31 December 2014
(\$ million)

| # | Loan | Net Loan Amount | Cumulative Contract Awards | Cumulative Disbursement | Remain-ing Imp.Period (Years) | Un-committed Loan Amount | Undis-bursed Loan Amount | Undisbursed Contract Amount |
|---|---|-----------------|----------------------------|-------------------------|-------------------------------|--------------------------|--------------------------|-----------------------------|
| Agriculture, Natural Resources and Rural Development | | 545.73 | 469.54 | 237.19 | | 76.18 | 308.54 | 232.35 |
| 1 | 2299-PAK: MFF-Punjab Irrigated Agriculture Investment Program - Project 1 | 209.00 | 208.28 | 141.01 | 0.7 | 0.72 | 67.99 | 67.27 |
| 2 | 2300-PAK(SF): Mff-Punjab Irrigated Agriculture Investment Program - Project 1 | 10.19 | 9.21 | 7.53 | 0.7 | 0.97 | 2.65 | 1.68 |
| 3 | 2841-PAK(SF): Punjab Irrigated Agriculture Investment Program (Tranche 2) | 253.55 | 193.97 | 77.17 | 2 | 59.57 | 176.38 | 116.80 |
| 4 | 2971-PAK: MFF:Punjab Irrigated Agriculture Investment Program-Project 3 | 73.00 | 58.08 | 11.48 | 2.2 | 14.92 | 61.52 | 46.60 |
| Energy | | 2,449.14 | 1,109.19 | 746.31 | | 1,339.95 | 1,702.83 | 362.88 |
| 5 | 2286-PAK: MFF-Renewable Energy Devt Sector Investment Program-Project1 | 116.18 | 115.94 | 62.19 | 1.5 | 0.23 | 53.99 | 53.76 |
| 6 | 2287-PAK(SF): MFF-Renewable Energy Devt Sector Investment Program-Project I | 5.32 | 3.11 | 2.87 | 1.5 | 2.21 | 2.45 | 0.24 |
| 7 | 2290-PAK(SF): MFF-Power Transmission Enhancement Inv. Program-Tranche 1 | 10.05 | 5.04 | 3.60 | 2 | 5.02 | 6.45 | 1.44 |
| 8 | 2396-PAK: MFF-Power Transmission Enhancement Investment Program-Proj II | 165.00 | 161.34 | 149.10 | - | 3.67 | 15.90 | 12.23 |
| 9 | 2846-PAK: Power Transmission Enhancement Investment Program-Tranche 3 | 243.24 | 167.81 | 13.98 | 1.5 | 75.43 | 229.26 | 153.83 |
| 10 | 2439-PAK(SF): MFF-Power Dist'n Enhancement Inv. Prog-Tranche1,Support Pro | 9.03 | 8.36 | 3.51 | 4 | 0.67 | 5.52 | 4.85 |
| 11 | 2727-PAK: MFF-Power Distribution Enhancement Investment Program -Tranche 2 | 172.30 | 131.77 | 100.00 | 0.7 | 40.53 | 72.30 | 31.77 |
| 12 | 2972-PAK: MFF:Power Distribution Enhancement Investment Program-Project 3 | 245.00 | 114.51 | 11.12 | 2 | 130.49 | 233.88 | 103.39 |
| 13 | 3096-PAK: MFF:Power Distribution Enhancement Investment Program-Tranche 4 | 167.20 | 0.85 | 0.11 | 2.5 | 166.35 | 167.09 | 0.75 |
| 15 | 2553-PAK(SF): MFF-Energy Efficiency Investment Program - Tranche 1 | 18.56 | 1.30 | 0.67 | - | 17.26 | 17.89 | 0.63 |
| 16 | 3090-PAK: Jamshoro Power Generation Project | 840.00 | - | - | 4.2 | 840.00 | 840.00 | - |
| 17 | 3091-PAK: Jamshoro Power Generation Project | 30.00 | - | - | 9.4 | 30.00 | 30.00 | - |
| 18 | 3092-PAK(SF): Jamshoro Power Generation Project | 28.11 | - | - | 4.2 | 28.11 | 28.11 | - |
| 19 | 3126-PAK(SF): Sustainable Energy Sector Reform Program | 399.16 | 399.16 | 399.16 | 0.4 | | | |
| Multisector | | 541.81 | 486.77 | 413.60 | | 55.04 | 128.21 | 73.17 |
| 20 | 2742-PAK-01: Component A and B: National Highways And Provincial Roads | 373.94 | 319.49 | 248.05 | 0.4 | 54.45 | 125.89 | 71.45 |
| 20 | 2742-PAK-02: Component C: Irrigation and Drainage And Flood Protection | 167.88 | 167.28 | 165.56 | 0.4 | 0.60 | 2.32 | 1.73 |
| Health and Social Protection | | 413.36 | 18.17 | 68.18 | | 395.19 | 345.18 | (50.01) |
| 21 | 3049-PAK(SF): Social Protection Development Project | 413.36 | 18.17 | 68.18 | 4.5 | 395.19 | 345.18 | (50.01) |
| Transport | | 576.00 | 363.22 | 331.11 | | 212.78 | 244.89 | 32.11 |
| 22 | 2400-PAK: MFF-National Trade Corridor Highway Investment Program-Proj 1 | 146.00 | 141.45 | 119.85 | 0.2 | 4.55 | 26.15 | 21.59 |
| 23 | 2540-PAK: MFF-National Highway Gateway Dev Sector Invesment Proj Tranche 2 | 230.00 | 221.78 | 211.25 | - | 8.22 | 18.75 | 10.53 |
| 24 | 3121-PAK: MFF: National Trade Corridor Highway Investment Program-Tranche 2 | 200.00 | - | 0.01 | 3 | 200.00 | 199.99 | (0.01) |
| Water and Other Urban Infrastructure and Services | | 95.39 | 7.49 | 5.70 | | 87.90 | 89.69 | 1.79 |
| 25 | 2975-PAK: MFF: Sindh Cities Improvement Investment Program-Project 2 | 25.10 | 1.86 | 1.46 | 2.6 | 23.24 | 23.64 | 0.40 |
| 26 | 2976-PAK(SF): MFF: Sindh Cities Improvement Investment Program-Project 2 | 70.29 | 5.63 | 4.24 | 2.6 | 64.66 | 66.05 | 1.39 |
| Total Ongoing | | 4,621.43 | 2,454.38 | 1,802.09 | | 2,167.04 | 2,819.34 | 652.29 |

List of Loans in 2014 as of 31 December 2014

| # | Approval No. | Name | Approval | Effectivity | Closing Date | | Status | Fund | Net Loan (\$ million) |
|---|--------------|---|-----------|-------------|--------------|------------|-------------------------|------|--------------------------|
| | | | | | Original | Actual/Rev | | | |
| Agriculture, Natural Resources and Rural Development | | | | | | | | | |
| 1 | 2310-PAK(SF) | Sindh Coastal Community Dev. Project | 15.Jan.07 | 27.Feb.08 | 30.Jun.13 | 30.Jan.14 | Closed in Jan 14 | ADF | 29.83 |
| 2 | 2299-PAK | MFF-Punjab Irrigated Agriculture Investment Program - Project 1 | 18.Dec.06 | 24.Aug.07 | 30.Sep.13 | 30.Sep.15 | Ongoing | OCR | 209.00 |
| 3 | 2300-PAK(SF) | MFF-Punjab Irrigated Agriculture Investment Program - Project 1 | 18.Dec.06 | 24.Aug.07 | 30.Sep.13 | 30.Sep.15 | Ongoing | ADF | 10.19 |
| 4 | 2841-PAK(SF) | Punjab Irrigated Agriculture Investment Program (Tranche 2) | 22.Dec.11 | 17.Feb.12 | 31.Dec.16 | | Ongoing | ADF | 253.55 |
| 5 | 2971-PAK | MFF: Punjab Irrigated Agriculture Investment Program-Project 3 | 13.Dec.12 | 06.Jun.13 | 31.Mar.17 | | Ongoing | OCR | 73.00 |
| 6 | 3239-PAK(SF) | Federally Administered Tribal Areas Water Resources Dev't Project | 15.Dec.14 | | 30.Sep.20 | | Not yet signed | ADF | 42.47 |
| 7 | 3159-PAK | Trimmu and Panjnad Barrages Impr. Project | 22.Sep.14 | | 31.Mar.21 | | Not yet effective | OCR | 50.00 |
| 8 | 3160-PAK(SF) | Trimmu and Panjnad Barrages Impr. Project | 22.Sep.14 | | 31.Mar.21 | | Not yet effective | ADF | 94.27 |
| Energy | | | | | | | | | |
| 9 | 2286-PAK | MFF-Renewable Energy Devt Sector Investment Program-Project1 | 13.Dec.06 | 29.Nov.07 | 30.Jun.12 | 30.Jun.16 | Ongoing | OCR | 116.18 |
| 10 | 2287-PAK(SF) | MFF-Renewable Energy Devt Sector Investment Program-Project I | 13.Dec.06 | 29.Nov.07 | 30.Jun.12 | 30.Jun.16 | Ongoing | ADF | 5.32 |
| 11 | 2290-PAK(SF) | MFF-Power Transmission Enhancement Investment Program-Tranche 1 | 13.Dec.06 | 11.May.07 | 31.Dec.16 | | Ongoing | ADF | 10.05 |
| 12 | 2396-PAK | MFF-Power Transmission Enhancement Investment Program-Proj li | 17.Dec.07 | 17.Apr.09 | 31.Dec.13 | 31.Dec.14 | Ongoing | OCR | 165.00 |
| 13 | 2846-PAK | POWER Transmission Enhancement Investment Program-Tranche 3 | 22.Dec.11 | 21.Feb.12 | 30.Jun.16 | | Ongoing | OCR | 243.24 |
| 14 | 2438-PAK | MFF-Power Distribution Enhancement Investment Program Proj 1 | 12.Sep.08 | 13.Jan.09 | 30.Jun.12 | 03.Jan.14 | Closed in Jan 14 | OCR | 171.89 |
| 15 | 2439-PAK(SF) | MFF-Power Dist'n Enhancement Investment Prog-Tranche1,Support Pro | 12.Sep.08 | 13.Jan.09 | 31.Dec.18 | | Ongoing | ADF | 9.03 |
| 16 | 2727-PAK | MFF-Power Distribution Enhancement Investment Program -Tranche 2 | 14.Dec.10 | 05.Oct.11 | 30.Sep.15 | | Ongoing | OCR | 172.30 |
| 17 | 2972-PAK | MFF: Power Distribution Enhancement Investment Program-Project 3 | 14.Dec.12 | 10.Dec.13 | 31.Dec.16 | | Ongoing | OCR | 245.00 |
| 18 | 3096-PAK | MFF: Power Distribution Enhancement Investment Program-Tranche 4 | 13.Dec.13 | 18.Jul.14 | 30.Jun.17 | | Ongoing | OCR | 167.20 |
| 19 | 2552-PAK | MFF-Energy Efficiency Investment Program - Tranche 1 | 22.Sep.09 | 30.Aug.10 | 31.Jul.12 | 30.Jun.14 | Require account closing | OCR | 30.00 |
| 20 | 2553-PAK(SF) | MFF-Energy Efficiency Inv. Program – Tr.1 | 22.Sep.09 | 30.Aug.10 | 31.Mar.17 | | Ongoing | ADF | 18.56 |

| # | Approval No. | Name | Approval | Effectivity | Closing Date | | Status | Fund | Net Loan (\$ million) |
|--|--------------|---|-----------|-------------|--------------|------------|----------------------------|------|--------------------------|
| | | | | | Original | Actual/Rev | | | |
| 22 | 3126-PAK(SF) | Sustainable Energy Sector Reform Program | 24.Apr.14 | 28.Apr.14 | 30.Jun.15 | | Ongoing | ADF | 399.16 |
| 22 | 3090-PAK | Jamshoro Power Generation Project | 09.Dec.13 | 20.Nov.14 | 31.Mar.19 | | Ongoing | OCR | 840.00 |
| 23 | 3091-PAK | Jamshoro Power Generation Project | 09.Dec.13 | 20.Nov.14 | 30.Jun.24 | | Ongoing | OCR | 30.00 |
| 24 | 3092-PAK(SF) | Jamshoro Power Generation Project | 09.Dec.13 | 20.Nov.14 | 31.Mar.19 | | Ongoing | ADF | 28.11 |
| 25 | 3203-PAK | MFF: Power Transmission enhancement Investment Program-Project 4 | 03.Dec.14 | | 31.Dec.16 | | Not yet signed | OCR | 248.00 |
| Health and Social Protection | | | | | | | | | |
| 26 | 3049-PAK(SF) | Social Protection Development Project | 22.Oct.13 | 24.Jun.14 | 30.Jun.19 | | Ongoing | ADF | 413.36 |
| Public Sector Management | | | | | | | | | |
| 27 | 3214-PAK(SF) | Public Sector Enterprise Reforms Project | 04.Dec.14 | | 30.Jun.20 | | Not yet signed | ADF | 19.52 |
| Transport | | | | | | | | | |
| 28 | 2540-PAK | MFF-National Highway Development Sector Investment Program-Proj 2 | 26.Aug.09 | 21.Sep.09 | 31.Dec.13 | 31.Dec.14 | Ongoing | OCR | 230.00 |
| 29 | 2400-PAK | MFF-National Trade Corridor Highway Investment Program-Pr oj 1 | 17.Dec.07 | 22.Dec.08 | 30.Jun.14 | 31.Mar.15 | Ongoing | OCR | 146.00 |
| 30 | 3121-PAK | MFF: National Trade Corridor Highway Investment Program-Tranche 2 | 01.Apr.14 | 11.Nov.14 | 31.Dec.17 | | Ongoing | OCR | 200.00 |
| 31 | 3197-PAK | MFF: National Trade Corridor Highway Investment Program - Tranche3 | 25.Nov.14 | | 10.Dec.17 | | Not yet signed | OCR | 127.00 |
| 32 | 3134-PAK | National Highway Network Development in Balochistan Project | 27.Jun.14 | | 31.Dec.18 | | Not yet signed | OCR | 195.00 |
| Multisector | | | | | | | | | |
| 33 | 2742-PAK-01 | Component A and B: National Highways and Provincial Roads | 30.Mar.11 | 26.May.11 | 30.Sep.14 | 25.May.15 | Ongoing | OCR | 373.94 |
| | 2742-PAK-02 | Component C: Irrigation and Drainage and Flood Protection | 30.Mar.11 | 26.May.11 | 30.Sep.14 | 25.May.15 | Ongoing | OCR | 167.88 |
| 34 | 2743-PAK(SF) | Flood Emergency Reconstruction Project | 30.Mar.11 | 26.May.11 | 30.Sep.14 | | Require account closing | ADF | 47.72 |
| Water and Other Urban Infrastructure and Services | | | | | | | | | |
| 35 | 2499-PAK(SF) | MFF-Sindh Cities Improvement Investment Program-Project 1 | 19.Dec.08 | 06.Mar.09 | 31.Dec.12 | 30.Jun.14 | Require account closing | ADF | 39.08 |
| 36 | 2975-PAK | MFF: Sindh Cities Improvement Investment Program-Project 2 | 18.Dec.12 | 30.Jul.13 | 31.Aug.17 | | Ongoing | OCR | 25.10 |
| 37 | 2976-PAK(SF) | MFF: Sindh Cities Improvement Investment Program-Project 2 | 18.Dec.12 | 30.Jul.13 | 31.Aug.17 | | Ongoing | ADF | 70.29 |
| Total | | | | | | | | | 5,716.21 |

List of Active Technical Assistance Projects
(As of 31 December 2014)

| # | TA No. | Title | Type | Approval | Closing | Amounts (\$ '000') |
|--------------|--------|---|-------|-----------|-----------|--------------------|
| 1 | 7795 | Capacity Building for the Flood Emergency Reconstruction Project | CDTA | 30-Mar-11 | 30-Sep-15 | 4,000 |
| 2 | 8309 | Capacity Building for Enhanced Safeguards Management | CDTA | 10-Dec-12 | 06-Dec-14 | 550 |
| 3 | 8337 | Social Protection Development Project | PPTA | 11-Mar-13 | 30-Sep-15 | 650 |
| 4 | 8371 | Jamshoro Power Generation Project | PPTA | 27-May-13 | 31-Mar-15 | 525 |
| 5 | 8404 | Jalalpur Irrigation Project | PPTA | 18-Jul-13 | 27-Mar-15 | 800 |
| 6 | 8405 | Regional Improving Border Services Project | PPTA | 18-Jul-13 | 30-Apr-15 | 800 |
| 7 | 8406 | Provincial Road Improvement Project | PPTA | 18-Jul-13 | 31-Mar-15 | 700 |
| 8 | 8410 | Power Distribution Enhancement Investment Program 2 | PPTA | 29-Jul-13 | 31-Dec-15 | 1,500 |
| 9 | 8443 | Support for Efficient Structuring of PPP In Punjab & Sindh Provinces | PATA | 05-Sep-13 | 31-Mar-15 | 225 |
| 10 | 8488 | Preparing MFF Khyber Pakhtunkhwa Water Resources Sector | PPTA | 24-Oct-13 | 31-Aug-15 | 1,000 |
| 11 | 8531 | Karachi Bus Rapid Transit Project | PPTA | 06-Dec-13 | 31-Aug-15 | 825 |
| 12 | 8648 | Determining the Potential for Carbon Capture and Storage | CDTA | 14-May-14 | 31-Aug-15 | 1,000 |
| 13 | 8683 | Punjab Intermediate Cities Improvement Investment Program | PPTA | 10-Jul-14 | 29-Feb-16 | 800 |
| 14 | 8735 | Improved Investment Climate for Mineral Sector Development In Pakistan | PATA | 16-Sep-14 | 30-Sep-15 | 225 |
| 15 | 8862 | Implementation Support for the Rural Financial Inclusion Facility | CDTA | 28-Nov-14 | 31-Dec-18 | 225 |
| 16 | 8772 | Strengthening the Central Power Purchasing Agency | CDTA | 3-Dec-14 | 31-Jul-16 | 1,500 |
| 17 | 8795 | Peshawar Sustainable Bus Rapid Transit Corridor | PPTA | 15-Dec-14 | 31-Jan-16 | 1,500 |
| 18 | 8796 | Public Sector Enterprises Reform Program | PPTA | 15-Dec-14 | 31-Dec-18 | 500 |
| 19 | 8800 | Balochistan Water Resources Development | PPTA | 15-Dec-14 | 31-Dec-16 | 1,100 |
| 20 | 8832 | Prioritizing Interventions for Financial Sector Development In Pakistan | SPATA | 15-Dec-14 | 30-Nov-15 | 225 |
| 21 | 8818 | Power Transmission Enhancement Investment Program li | PPTA | 16-Dec-14 | 31-Dec-15 | 1,500 |
| Total | | | | | | 20,150 |

CDTA = capacity development technical assistance, PATA = policy advisory technical assistance, PPTA = project preparatory technical assistance, SPATA = small-scale policy advisory technical assistance, TA = technical assistance

Contract Award and Disbursements Targets in 2014 ^a

| No. | Projects Name | Net Loan Amount (31 Dec 2013) | Contract Award | | Disbursements | |
|--|---|-------------------------------------|--------------------|------------------|--------------------|------------------|
| | | | Cum 31 Dec 2013 | Expected 2014 | Cum 31 Dec 2013 | Expected 2014 |
| Agriculture and Natural Resources | | | | | | |
| 2299-PAK | MFF-Punjab Irrigated Agriculture Investment Program Tranche I | 220.8 | 205.7 | 0.0 | 103.3 | 59.6 |
| 2300-PAK | MFF-Punjab Irrigated Agriculture Investment Program | 10.4 | 7.6 | 0.0 | 6.1 | 1.7 |
| 2841-PAK | MFF-Punjab Irrigated Agriculture Investment Program Tranche-II | 264.9 | 188.5 | 0.0 | 36.7 | 53.4 |
| 2971-PAK | MFF-Punjab Irrigated Agriculture Investment Program Tranche-III | 73.0 | 0.0 | 54.0 | 0.0 | 4.7 |
| Energy | | | | | | |
| 2286-PAK | MFF-Renewable Energy Dev Sector Investment Program Tranche I | 125.4 | 113.5 | 0.0 | 37.0 | 33.2 |
| 2287-PAK | MFF-Renewable Energy Dev Sector Investment Program | 5.5 | 3.1 | 0.0 | 2.8 | 0.0 |
| 2290-PAK | MFF-Power Transmission Enhancement Investment Program | 10.4 | 4.1 | 0.0 | 3.2 | 0.0 |
| 2396-PAK | MFF-Power Transmission Enhancement Investment Program Tranche II | 170.0 | 159.0 | 0.0 | 132.7 | 26.0 |
| 2846-PAK | MFF-Power Transmission Enhancement Investment Program Tranche III | 243.2 | 0.0 | 209.0 | 0.5 | 1.9 |
| 2439-PAK | MFF-Power Distribution Enhancement Investment Program | 9.4 | 8.4 | 0.0 | 1.9 | 0.5 |
| 2727-PAK | MFF-Power Distribution Enhancement Investment Program Tranche II | 172.3 | 121.2 | 24.0 | 75.5 | 30.0 |
| 2972-PAK | MFF-Power Distribution Enhancement Investment Program Tranche III | 245.0 | 0.0 | 110.0 | 0.0 | 15.0 |
| 3096-PAK | MFF-Power Distribution Enhancement Investment Program Tranche IV | 167.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| 2552-PAK | MFF-Energy Efficiency Investment Program Tranche I | 40.0 | 27.8 | 0.0 | 19.7 | 8.0 |
| 2553-PAK | MFF-Energy Efficiency Investment Program | 19.6 | 1.3 | 0.0 | 0.5 | 0.0 |
| 3090-PAK | Jamshoro Power Generation Project | 840.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 3091-PAK | Jamshoro Power Generation Project SC | 30.0 | 0.0 | 0.7 | 0.0 | 0.0 |
| 3092-PAK | Jamshoro Power Generation Project | 29.8 | 0.0 | 14.3 | 0.0 | 2.0 |
| Multisector | | | | | | |
| 2742-PAK | Flood Emergency Reconstruction Project | 583.4 | 473.7 | 0.0 | 305.9 | 122.9 |
| 2743-PAK | Flood Emergency Reconstruction Project | 48.1 | 41.6 | 0.0 | 40.4 | 0.0 |
| Transport | | | | | | |
| 2400-PAK | MFF-National Trade Corridor Highway Investment Program Tranche I | 170.0 | 110.1 | 0.0 | 89.6 | 23.9 |
| 2540-PAK | MFF-National Highway Development Sector Investment Program Tranche II | 230.0 | 181.3 | 0.0 | 163.2 | 49.9 |
| Water & Other Municipal Infrastructure & Services | | | | | | |
| 2499-PAK | MFF-Sindh Cities Improvement Investment Program Tranche I | 39.4 | 36.9 | 0.0 | 31.2 | 6.0 |
| 2975-PAK | MFF-Sindh Cities Improvement Investment Program Tranche II | 25.1 | | 4.7 | 0.0 | 1.1 |
| 2976-PAK | MFF-Sindh Cities Improvement Investment Program Tranche II | 74.3 | | 14.3 | | 3.3 |
| Public Sector Management | | | | | | |
| 3049-PAK | Social Protection Development Project | 436.1 | 0.0 | 2.4 | 0.0 | 42.4 |
| Total | | 4283 | 1684 | 434 | 1050 | 485 |

a. Estimated in consultation with EAs in Quarterly Portfolio Review in February-March 2014

Status of 2013 CPR Action Plan and Action Plan for CPR 2014

| Sr. No. | Agreed Action as of 2013 CPR | Status | Action for 2014 CPR | | |
|---------|---|---|--|---|---|
| | | | Action | By When | By Whom |
| (i) | <p>Improving Start up Compliance: The Mission presented the draft template for harmonized project processing milestones, key outputs, responsible organization(s) and timelines. The Government will review it and provide its feedback on harmonizing project processing for future projects</p> | <p>The information on joint timelines and actions for harmonizing the processing could not be collated, updated and used. The Government's response and approval were also awaited on the harmonized procedures. In addition, processing milestones for some projects shifted which advanced or postponed actions on both sides. Despite agreeing in the CPR 2013, effective harmonization did not take place</p> | <p>Prepare harmonized project processing timelines; and update the status and inform all concerned regularly Minimize the project preparation delays by approval of PC-1</p> | <p>After approval of COBP 2015-17 Fortnightly basis Before the submission of project documents to ADB's management or board for approval.</p> | <p>The EAD, project processing teams both in ADB and government under the coordination of PRM's focal EAs, EAD, PDWP, CDWP</p> |
| (ii) | <p>Closely Monitoring Projects with Implementation Challenges: The EAD will establish a monitoring cell for this purpose. The Ministry of Water and Power (MOW&P) agreed to have fortnightly review of projects in energy sector while Ministry of Communication will conduct review of ADB-financed NHA projects starting from August 2013 with a follow up meetings as required. ADB should increase frequency of project review missions, to at least 2-3 missions per year, for projects with implementation challenges.</p> | <p>EAD established a Foreign Assistance Monitoring Cell (FAMC) for overall monitoring of donor assisted portfolios, especially monitoring the implementation challenges. The officials from various sections of EAD were included in FAMC and given additional charge. The dedicated staff was however not provided.</p> | <p>FAMC will continue to work using existing resource and will be strengthened upon resource availability.</p> | <p>Continued basis</p> | <p>EAD</p> |

| Sr. No. | Agreed Action as of 2013 CPR | Status | Action for 2014 CPR | | |
|---------|--|--|---|---|---|
| | | | Action | By When | By Whom |
| (iii) | Projects Missions to Pakistan: ADB will allow EAD and EAs sufficient time before fielding missions and EAD representative will join the missions. PRM will consult with EAD in this regard. | At least two weeks' notice is generally given before fielding project administration missions | <p>No further deliberation was required. Missions will continue to be fielded giving agreed response time to EAD.</p> <p>ADB will hold three portfolio reviews in a year.</p> <p>Project reviews will be carried out and increased if a project or any of its major components faces implementation challenges.</p> | <p>2 weeks prior to fielding a mission</p> <p>First in January-February; Second in July-August including annual CPR and half yearly review; Last review in October-November.</p> <p>At least twice a year</p> | <p>ADB, EAD</p> <p>ADB, EAD</p> <p>ADB, EAD, EAs, IAs</p> |
| (iv) | Large Procurement Monitoring: ADB and the Government agreed to quarterly monitor the contract awards processes of large contracts (over \$1 million) and ensuing disbursements after award. This will facilitate in monitoring the evaluation time by EAs and the response time by ADB on EA's submissions or evaluation reports. | Except for highlighting critical procurement issues in procurement in project summary sheets of quarterly portfolio reviews, the procurement monitoring could not be effectively made part of the regular portfolio reviews. It was due to challenges in collection of updated data of procurement milestones including reasons for delays and frequent exchange of communication between ADB and EAs on clarifications during evaluation. | ADB is introducing the Procurement Review System (PRS), an on-line tool for review and monitoring of all procurement activities. The PRS will address a need where no existing system captures the end to end processes. ADB will use PRS for this purpose upon its launching. | PRS will be launched by end of 2014. CPR Mission will use the system during portfolio reviews in 2015 | ADB |

| Sr. No. | Agreed Action as of 2013 CPR | Status | Action for 2014 CPR | | |
|---------|---|--|---|---|-----------------------|
| | | | Action | By When | By Whom |
| (v) | <p>Procurement Risk Assessment Mapping and Governance: Given past experience in country and with EAs, ADB fact finding mission should well identify procurement risks; in particular, delays in evaluation and its effect on implementation period (common to all), breach of confidential information (specific EAs) and effectiveness of procurement method and type (ICB/NCB, EPC, post/pre-qualification). The purpose is to ensure successful procurement and contract management. It was agreed that the Government will adhere to ADB's guidelines and loan agreements and ADB will improve response time and reporting the performance to EAs.</p> | <p>Adherence to ADB's procurement guidelines and stipulations of project/loan agreements on procurement in certain cases were challenged when found contrary to the government laws and regulations.</p> <p>The reporting of ADB's response time on large contracts remained weak.</p> | <p>ADB has initiated a 10 point procurement reforms with a focus on balancing sound fiduciary oversight with efficiency. The procurement risk assessment under the proposed reforms will be conducted at each stage of planning and implementation.</p> <p>With the introduction of PRS, ADB's response time will be monitored.</p> | <p>During</p> <p>(i) consultation of CPS,</p> <p>(ii) project procurement classification at project concept paper,</p> <p>(iii) project procurement risk assessment at project preparation,</p> <p>(iv) project procurement plan at procurement preparation, and</p> <p>(v) procurement supervision during project implementation</p> | EAS, IAs, EAD and ADB |
| (vi) | <p>Prompt Cancellation of Surplus Funds: It is recommended that loan or grant surplus will be identified during project reviews (especially at mid-term) while EAD will confirm in writing canceling surplus loan proceeds within 2 weeks after completion of missions.</p> | <p>Cancellations and surplus/savings were identified and effected</p> | <p>No further deliberation is required and this will be continued as an ongoing process</p> | Continued | EAS, IAs, EAD and ADB |

| Sr. No. | Agreed Action as of 2013 CPR | Status | Action for 2014 CPR | | |
|---------|---|--|--|---|--|
| | | | Action | By When | By Whom |
| (vii) | <p>Minimize Implementation Delays through Incentives: The Mission emphasized minimizing contract and construction management delays through performance and incentive driven contracting. The Mission recommended including bonus clauses for large contracts and promoting performance delivery by announcing annual awards for good project administration and best managed projects. The Mission also suggested that the Government should establish proper accountability mechanism to hold concerned project officials responsible for poor project performance. The EAD has agreed in principle to the proposal.</p> | <p>ADB is recommending award to the irrigation component of the Sindh Flood Emergency Reconstruction Project for completing the project on budget, scope and schedule well before the loan closing.</p> <p>The bidding documents prepared for new contracts in 2013 and 2014 do not incentivize contractors to perform well.</p> | <p>ADB is recommending award to the irrigation component of the Sindh Flood Emergency Reconstruction Project for completing the project on budget, scope and schedule well before the loan closing.</p> <p>Bonus clauses will be included in sample and selected new bidding documents of EAs and ADB.</p> | <p>Q4 2014</p> <p>New master bidding documents during project preparation</p> | <p>EAS, IAs, EAD and ADB</p> <p>ADB and EAs' project preparation teams</p> |

| Sr. No. | Agreed Action as of 2013 CPR | Status | Action for 2014 CPR | | |
|---------|--|--|---|------------------------|--------------------|
| | | | Action | By When | By Whom |
| (viii) | <p>Strong Project Management Units (PMUs): The Mission reiterated the findings of previous CPRs that projects should have well-established and strong PMUs for prompt decision making and efficient delivery. The EAs should appoint and retain qualified staff throughout the project period, and ADB and EAD should ensure this through regular oversight.</p> | <p>In 2013, staffing of PMUs still remained a challenge on some projects in energy, urban and multi-sectors.</p> | <p>Ongoing process and will be highlighted in project administration and quarterly portfolio reviews</p> | <p>Continued basis</p> | <p>ADB and EAD</p> |
| (ix) | <p>Compliance with Audit Requirements and Increasing Transparency and Accountability: The EAD agreed to consult with the Department of Auditor General of Pakistan (AGP) for timely submission of annual audited project financial statements, audit reports, and management letter within six months of closing of each fiscal year. PRM has provided to AGP, a list of projects with audit requirements for the fiscal year 2012-13. The EAD and ADB will sign an umbrella agreement on “Public Disclosure of Audited Project Financial Statements” in August 2013.</p> | <p>The EAD and ADB signed an umbrella agreement on “Public Disclosure of Audited Project Financial Statements”.</p> <p>There was a significant improvement in 2013 in timely submission of audited project financial statements. The EAD and AGP efforts are highly appreciated.</p> | <p>The EAD agreed to invite representatives of AGP in next portfolio review to discuss the progress on audit reports.</p> | <p>November 2014</p> | <p>EAD, ADB</p> |

| Sr. No. | Agreed Action as of 2013 CPR | Status | Action for 2014 CPR | | |
|---------|--|---|--|--|---|
| | | | Action | By When | By Whom |
| (x) | <p>Continued Capacity Building: PRM will conduct a safeguard and a loan disbursement workshop in the last quarter of 2013 to highlight ADB's requirements. ADB will continue to build EAs' procurement capacity through workshops, clinics and seminars on EAD's demand and on schedule agreed with the Government.</p> | <p>ADB organized a loan disbursement workshop for EAs/IAs in November 2013 to strengthen the disbursement, financial management and auditing processes of ADB funded projects.</p> <p>Capacity assessment and training workshops on LAR management have also been conducted</p> | <p>ADB will continue to conduct capacity building trainings/workshops in consultation with EAD.</p> | Continued basis | ADB |
| (xi) | Not in action plan during CPR 2013 | Not in action plan during CPR 2013 | <p>Resolve counterpart funding in NHA administered transport sector projects, amounting to at least about \$20 million during fiscal year 2014-15.</p> <p>Submit a proposal to ADB for change in financing and decreasing the government's share where possible.</p> | <p>During first quarter review of Public Sector Development Program 2014-15</p> <p>October-November 2014</p> | <p>EAD, NHA, Ministry of Communications, Ministry of Finance, Planning, Development and Reforms Division</p> <p>NHA</p> |

| Sr. No. | Agreed Action as of 2013 CPR | Status | Action for 2014 CPR | | |
|---------|--|---|--|---|---|
| | | | Action | By When | By Whom |
| (xii) | <p>Improving social safeguards compliance: The Government expressed the position that ADB's Safeguard Policy Statement (SPS) 2009 will be followed with respect to land acquisition and resettlement. The EAs and Provincial Board of Revenues (BOR) will continue to explore the options available within the country legal systems to ensure that the compensation calculated under Land Acquisition Act (LAA) 1894 truly reflects replacement cost as defined in ADB's SPS. ADB will continue to work with BORs on the legal amendments requirements in the LAA/rules to ensure replacement cost is paid to displaced people. All new projects should disclose acceptable draft safeguard documents before ADB's internal quality review meetings and safeguard monitoring reports during implementation.</p> | <p>In response to the ADB queried determination of land prices by the Board of Revenue (on NHA's administered projects) and its responsiveness to the full replacement cost, ADB advised NHA to verify the replacement cost of lands through an independent/certified land valuation appraiser. The valuation study has been undertaken to achieve full replacement cost as defined in SPS.</p> | <p>ADB will support the government in exploring options available within the country's legal systems in ensuring that compensation under the Land Acquisition Act (LAA) truly reflects replacement cost.</p> <p>ADB will conduct policy dialogue and stakeholder consultations on draft resettlement policy of NHA and WAPDA</p> | <p>Continued basis</p> <p>November 2014</p> | <p>ADB and EAs</p> <p>ADB, EAD, WAPDA and NHA</p> |

| Sr. No. | Agreed Action as of 2013 CPR | Status | Action for 2014 CPR | | |
|---------|--|---|---|---|---------------------------------|
| | | | Action | By When | By Whom |
| (xiii) | <p>Swift loan account closures: The Ministry of Finance (MOF) is revising the Government accounting procedures to include processes for prompt refund of outstanding imprest account balances (IA) after loan closing. The MOF will consult the federal and provincial governments, ADB and other stakeholders in this respect. The EAD was reminded that IA balances should be returned at loan closing or within winding up period of 4 months after loan closing by the EAs.</p> | <p>Significant improvement in closure of loan and grants account in 2013. The MoF has issued revised accounting procedures in August 2013 for Revolving Fund Accounts (Foreign Aid Assignment Accounts), whereby the major issue of exchange rate loss stands resolved.</p> | <p>Refund the imprest advance of 2 projects completed in June 2014 while 3 projects will complete in September and December 2014.</p> <p>Loan 2499-PAK PMU Sindh \$32,019.23 NSUSC \$1,754,067.60 Loan 2742-PAK ID Sindh \$632,237.02 W&SD Sindh \$716,476.25 NHA \$469,832.04 Loan 2743-PAK(SF) ID Sindh \$33,050.29 Loan 2540-PAK NHA \$2,600,000.00</p> <p>Close the accounts under the 2 outstanding co-financed projects, OFID Loan Nos. 8163 and 8202-PAK(OFID), ADB will wait for EAD's early advice for closure of the loans' accounts.</p> | <p>Within winding up period</p> <p>2014</p> | <p>EAs, IAs, EAD</p> <p>EAD</p> |
| (xiv) | <p>Not in action plan during CPR 2013</p> | <p>Not in action plan during CPR 2013</p> | <p>The results monitoring will be improved and it was agreed that the CPS 2015-19 will select baselines indicators and targets for country sector outcomes and outputs which could be available and measured during the successive CPRs.</p> | <p>During preparation of CPS 2015-19</p> | <p>EAS, IAs, EAD and ADB</p> |

Project Summary Sheets

Agriculture and Natural Resources

| | |
|---|----|
| Loan 2299-PAK: Punjab Irrigated Agriculture Program Tranche I | 1 |
| Loan 2300-PAK(SF): Punjab Irrigated Agriculture Investment Program | 7 |
| Loan 2841-PAK(SF): Punjab Irrigated Agriculture Program Tranche II | 11 |
| Loan 2971-PAK: Punjab Irrigated Agriculture Program Tranche III | 14 |
| Loan 3159-3160-PAK: Trimmu and Punjnad Barrages Improvement Project | 18 |
| Loan 3239-PAK: FATA Water Resources Development Project | 21 |

Energy

| | |
|--|----|
| Loan 2286-PAK:MFF Renewable Energy Development Sector Investment Program Tranche I | 23 |
| Loan 2287-PAK(SF): MFF Renewable Energy Development Sector Investment Program | 28 |
| Loan 2290-PAK(SF):Power Transmission Enhancement Investment Support Component | 31 |
| Loan 2396-PAK:MFFPower Transmission Enhancement Investment Program Tranche II | 34 |
| Loan 2846-PAK:MFFPower Transmission Enhancement Investment Program Tranche III | 37 |
| Loan 2439-PAK(SF):MFF Power Distribution Enhancement Investment Program | 43 |
| Loan 2727-PAK:MFFPower Distribution Enhancement Investment Program Tranche II | 46 |
| Loan 2972-PAK: MFF Power Distribution Enhancement Investment Program Tranche III | 49 |
| Loan 3096-PAK: MFF Power Distribution Enhancement Investment Program-Tranche IV | 53 |
| Loan 2552-PAK: MFF Energy Efficiency Investment Program | 56 |
| Loan 2553-PAK(SF): MFF Energy Efficiency Investment Program | 60 |
| Loan 3090/3091-PAK3092-PAK(SF): Jamshoro Power Generation Project | 64 |
| Loan 3126- PAK(SF): Sustainable Energy Sector Reform Program Subprogram I | 68 |
| Loan 3203-PAK(SF):Power Transmission Enhancement Investment Program Tranche IV | 72 |

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|--|----|
| Loan 2400-PAK: MFF National Trade Corridor Highway Investment Program Tranche I | 74 |
| Loan 2540-PAK: MFF National Highway Development Sector Investment Program Tranche II | 78 |
| Loan 3121-PAK: MFF: National Trade Corridor Highway Investment Program-Tranche II | 81 |
| Loan 3197-PAK: MFF: National Trade Corridor Highway Investment Program-Tranche III | 84 |
| Loan 3134 -PAK: National Highway Network Development In Balochistan | 86 |

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| | |
|---|----|
| Loan 2742-PAK/2743-PAK(SF) Flood Emergency Reconstruction Project | 88 |
|---|----|

Water and Other Urban Infrastructure Services

| | |
|---|-----|
| Loan 2499-PAK: MFF Sindh Cities Improvement Investment Program Tranche I | 98 |
| Loan 2975-PAK & 2976-PAK (SF): MFF Sindh Cities Improvement Investment Program Tranche II | 105 |

Health and Social Protection

| | |
|--|-----|
| Loan 3049-PAK(SF): Social Protection Development Project | 115 |
|--|-----|

Public Sector Management

| | |
|---|-----|
| Loan 3214-PAK(SF): Public Sector Enterprise Reforms Project | 120 |
|---|-----|

Loan 2299-PAK: Punjab Irrigated Agriculture Program Tranche I

- Loan Basic Data

\$ Million

| Approval Date | Signing Date | Effective Date | Closing Date | Closing Date (Revised) | Elapsed Time | Project Rating as of 31 Dec 14 |
|-----------------|-----------------|----------------|------------------------------|------------------------|-----------------|--------------------------------|
| 18-Dec-06 | 22-Jun-07 | 24-Aug-07 | 30-Sep-13 | 30-Sep-15 | 86% | |
| Approved Amount | Net Loan Amount | Financing | EA/IA | Project Officer | Project Analyst | |
| 217.8 | 208.995 | OCR | Irrigation Department Punjab | A. Zafar | Zubaida | On Track |

B- Loan Financial Progress(as of 31December 2014)

| Contract Award (Cumulative) | Un-contracted Loan Balance | Contract Award Performance % | Contract Award for 2014 | |
|-----------------------------|----------------------------|------------------------------|-------------------------|--------|
| | | | Projections | Actual |
| 208.278 | 0.716 | 100 | - | 0.023 |
| Disbursements (Cumulative) | Un-disbursed Loan Balance | Disbursement Performance % | Disbursements for 2014 | |
| | | | Projections | Actual |
| 141.009 | 67.986 | 90 | 104.103 | 37.664 |

C- Project Description

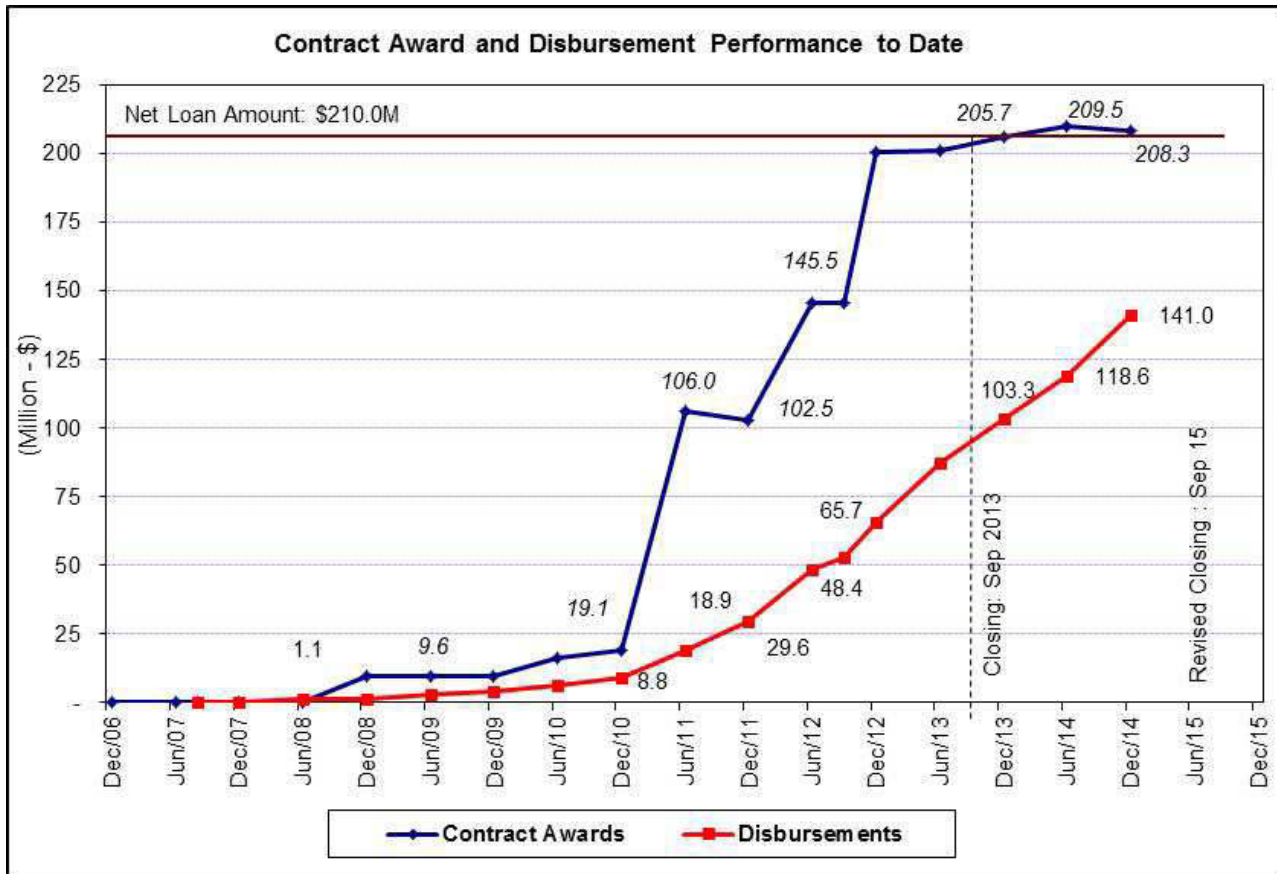
1.The project seeks to promote economic growth, increase farm incomes and improve resource sustainability through enhanced productivity of irrigated agriculture and improved management of Punjab's water resources. Project components include (i) rehabilitation and upgrading of Balloki Barrage including the Lower Bari Daub Canal (LBDC) and BS Link Canal head regulators; (ii) rehabilitation and upgrading of the LBDC main canal and appurtenant structures as well as branch, distributary and minor canals comprising the LBDC distribution system; (iii) intensified and rationalized systematic groundwater monitoring and strengthened groundwater resource management in the LBDC command; (iv) improved on-farm water management practice and agriculture support; and (v) institutional reform and strengthening to ensure improved operation and management of the LBDC system.

Project Monitoring Framework (Current Status)

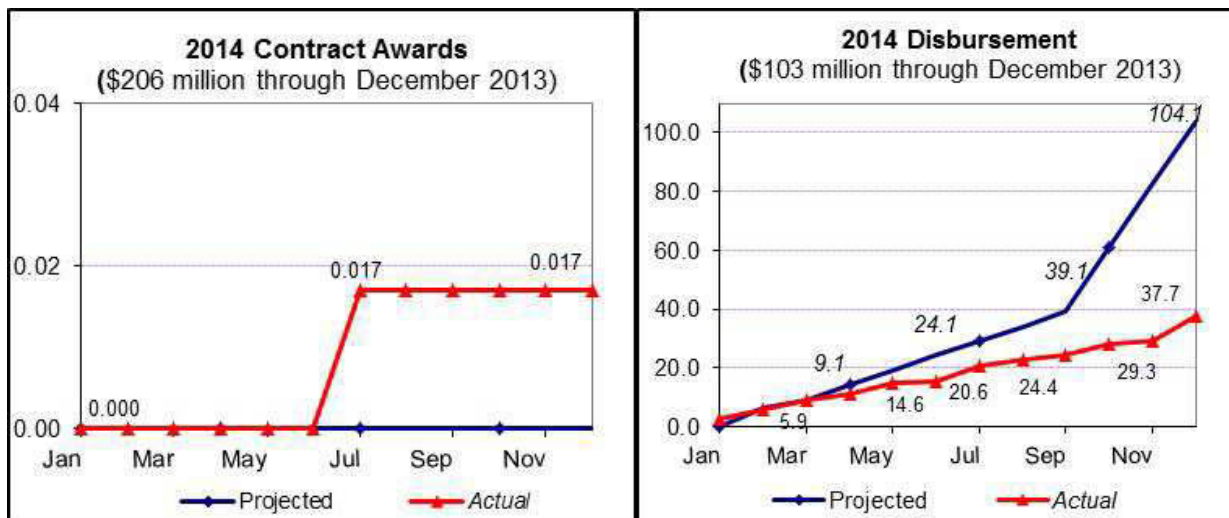
| Outputs | Status with Key Activities | |
|---|--|---|
| | Target Indicators | Achievements/Status |
| 1. LBDC and distribution system rehabilitated | <ul style="list-style-type: none"> 1700 km main and distributary canals and 3000 appurtenant structures rehabilitated | <ul style="list-style-type: none"> The entire 212 kilometers length of main canal is completed. Work awarded for 1,125 kilometers of distributaries and minors, of which 178 km is completed while work on 947 km is in progress. Work on 375 km of distributaries |

| Outputs | Status with Key Activities | |
|---|---|---|
| | | <p>and minors yet to be awarded.</p> <ul style="list-style-type: none"> ▪ Out of 3,000 appurtenant structures, work on 214 main canal structures and 2,336 distribution system structures awarded, of which 214 structures of main call and 110 structures of distribution system completed. ▪ Work on 2,226 structures on distribution system is on ongoing. ▪ Work on 450 structures (Contract No. ICB-06A) yet to be awarded. |
| <p>2. Groundwater management plan and conjunctive strategy for LBDC is operational</p> | <ul style="list-style-type: none"> ▪ Groundwater data base, groundwater model, and guidelines for groundwater utilization are in use by PID by 2015 ▪ Establish data base by 30 Sep 2011 ▪ Develop and validate groundwater model by 31 Jan 2012 ▪ Compile results, train staff and transfer model to PIPD by 30 Sep 2012 ▪ Develop groundwater management strategy by 31 Dec 2011 ▪ Implement groundwater management plan by 31 Mar 2013 | <ul style="list-style-type: none"> ▪ Output achieved. Groundwater data base and model have been developed and handed over to PID, staff has been trained, and database and model are being used by PID. |
| <p>3. Farmers use improved on-farm management practices</p> | <ul style="list-style-type: none"> ▪ At least one demonstration plot (40 ha) established in service area of each FO | <ul style="list-style-type: none"> ▪ Output achieved. 53 Demonstration plots have been established, each plot is 40 ha. |
| <p>4. Area Water Board (AWB) and Farmers Organizations (FOs) take responsibility of operating LBDC system</p> | <ul style="list-style-type: none"> ▪ One AWB, 50 FOs, and more than 3000 Khal Panchayats (water user associations) established by 2015. ▪ All FOs trained in O&M of canals ▪ Every FO establish a minimum of one pilot demonstration plot | <ul style="list-style-type: none"> ▪ Output achieved. One AWB, 52 FOs and 3,779 KPs have been established. FOs are operational and performing their functions. One pilot demonstration plot has been established in each FO. |
| <p>5. Balloki Barrage rehabilitated on time and within budget</p> | <ul style="list-style-type: none"> ▪ Complete construction by Sep 2013 | <p>Contractor's performance is very poor; the completion period has elapsed with only 70% progress achieved.</p> |

E- Contract Award and Disbursement Performance over Project Life



F- Contract Award and Disbursement Targets and Achievements in 2014



G. Status of Action Plan Agreed during CPR 2014 Mission

| Sr. | Issue | Action to be Taken | Due Date | By Whom | Update as of 31 Dec 2014 |
|-----|--|---|--|---|--|
| 1 | BB/ICB-01(Balloki Barrage) Contract period elapsed on 28 February 2014 but only 68% Progress achieved by 30 June 2014. The contractor continues to perform poorly. Major issue remains slow action on mechanical items relating to Fabrication of Gates & Hoist Mechanism for Flood Spillway & Main Barrage. Manufacturing of hoisting equipment has not yet started. | A Special Loan Administration Mission was fielded by ADB on 21 to 24 July 2014. The EA and contractor had agreed on completing the items of works as per following milestones: <ul style="list-style-type: none"> i. Spillway ii. New BS Link Head Regulator iii. Cofferdam iv. Barrage v. River Training Works and Spurs vi. Instrumentation vii. Auxiliary Works & Workshop Facilities viii. E&M Spillway ix. E&M New BS Link Head Regulator x. E&M Barrage xi. E&M LBDC Engineer's Assessment of Contractor's Submission (including modification in contract) | 31 Jan 2015 11 Jan 2015 18 Feb 2015 17 Feb 2015 08 Feb 2015 13 Jan 2015 12 Feb 2015 08 Feb 2015 04 Mar 2015 27 Feb 2015 24 Mar 2015 15 Aug 2014 | Contractor (as per program indicated to the EA and Special Loan Administration Mission) | The contractor is performing significantly below the required pace of works to achieve the targets. As a contractual action, a notice to correct was issued to the contractor on 31 December 2014 ending on 31 January 2015. The progress up to 31 December 2014 does not demonstrate that contractor could achieve the targets during the Notice to Correct period. |
| 2 | BB/ICB-01(Balloki Barrage) Resettlement of protection work | Handing over of remaining land for construction on downstream right bank | 30 Sep 2014 | EA | The land was not handed over to the contractor and may take more than one month for completion of the process. |

| Sr. | Issue | Action to be Taken | Due Date | By Whom | Update as of 31 Dec 2014 |
|-----|--|--|---|-----------------------------|---|
| 3 | LBDC/ICB-04. Contractor is not expediting progress | <p>A Special Loan Administration Mission was fielded by ADB on 21 to 24 July 2014. The contractor has agreed with EA to complete all works on 23 out of 79 minors and distributaries.</p> <p>EA will monitor the detail activities and decide on next contractual action. In case of poor performance, the EA stated their intent to terminate the contract.</p> | <p>31 October 2014</p> <p>10 November 2014</p> | <p>Contractor</p> <p>EA</p> | <p>Not completed</p> <p>The EA, instead of deciding on termination, gave another notice to correct in Nov. 2014 agreeing on revised targets of (i) concrete lining; and (ii) completion of all canal closure related activities. The contractor performance improved for few days but deteriorated again.</p> |
| | | <p>The remaining works will be completed as per detail schedule attached with the Special Loan Administration Mission</p> | <p>31 Oct 2014 and 3 June 2015</p> | <p>Contractor</p> | <p>Significantly below the agreed targets</p> |
| 4 | <p>Pending procurement – ICB 06a due to lack of funds.</p> | <p>The bid evaluation process will continue.</p> | <p>Award of contract subject to arrangements of financing</p> | <p>EA and ADB</p> | <p>ADB concurred on 5 December 2014 with the award of contract subject to the condition that notification of award shall be issued only after ADB's approval of</p> |

| Sr. | Issue | Action to be Taken | Due Date | By Whom | Update as of 31 Dec 2014 |
|-----|--|---|-----------------|---------|--|
| | | | | | extension of loan period and additional financing. |
| 5 | Financing constraints and time over runs | PMU to submit the justification for extension of loan and request for supplementary financing through EAD | 15 October 2014 | EA | Not submitted by 31 December 2014 |

H- Action Plan to be discussed during QPR Q4, 2014

| Sr. | Issue | Action to be Taken | Due Date | By Whom |
|-----|--|--|--|--------------------------------------|
| 1 | Extremely poor performance by contractors on Balloki Barrage and ICB-04 Contracts, and its implication on overall project implementation and the request for time and cost extension | The Irrigation Department and PMU shall take decision on the basis of consistent poor performance and correction notices. | 31 January 2015 (expiry of the Notice to Correct) | Irrigation Department and PMU |
| 2 | Financing constraints, time over runs and award of last contract ICB-6A | The decision on Balloki Barrage and ICB-04 will determine the extent of cost and time overrun. Upon arrangements of additional financing and time, ICB-6A could be awarded | End February 2015 | EAD, Irrigation Department, PMU, ADB |
| 3 | Pending construction on downstream right bank of spillway | Complete resettlement process | 15 February 2015 | EA, PMU |
| 4 | Compliance with Site Specific Environmental Management Plan (SSEMP) | Recruitment of Environmental Managers by Contractor on ICB 4 Preparation of Corrective Action Plan and submission to EA, PMU and ADB | 31 January 2015 20 January 2015 | Contractor Contractor |
| 5 | Pending Audit Report | Submit the report | Immediately | EA, EAD, AGP |
| 6 | Pending External Monitoring Reports on Social Safeguards | Replacement of Consultants Submission of report | Mid February 2015 Within one month after mobilization of Consultant | EA, PMU EA, PMU, Consultant |

Loan 2300-PAK(SF): Punjab Irrigated Agriculture Investment Program

A - Loan Basic Data

\$ Million

| Approval Date | Signing Date | Effective Date | Closing Date | Closing Date (Revised) | Elapsed Time | Project Rating as of 31 Dec 2014 |
|-----------------|-----------------|----------------|------------------------------|------------------------|-----------------|----------------------------------|
| 18-Dec-06 | 22-Jun-07 | 24-Aug-07 | 30-Sep-13 | 30-Sep-15 | 86% | |
| Approved Amount | Net Loan Amount | Financing | EA/IA | Project Officer | Project Analyst | |
| 10.00 | 10.185 | ADF | Irrigation Department Punjab | A. Zafar | Zubaida | On Track |

B- Loan Financial Progress

As of 31December 2014

| Contract Award (Cumulative) | Un-contracted Loan Balance | Contract Award Performance % | Contract Award for 2014 | |
|-----------------------------|----------------------------|------------------------------|-------------------------|--------|
| | | | Projections | Actual |
| 9.214 | 0.971 | 90 | - | - |
| Disbursements (Cumulative) | Un-disbursed Loan Balance | Disbursement Performance % | Disbursements for 2014 | |
| | | | Projections | Actual |
| 7.534 | 2.651 | 74 | 0.915 | 1.419 |

C- Project Description

The Punjab Irrigated Agriculture Project Preparation Facility (PIAPPF) will ensure that (i) forthcoming projects are expeditiously prepared to fully utilize Program resources, (ii) future projects are well designed and meet ADB guidelines, and (iii) the PIAIP is well managed.

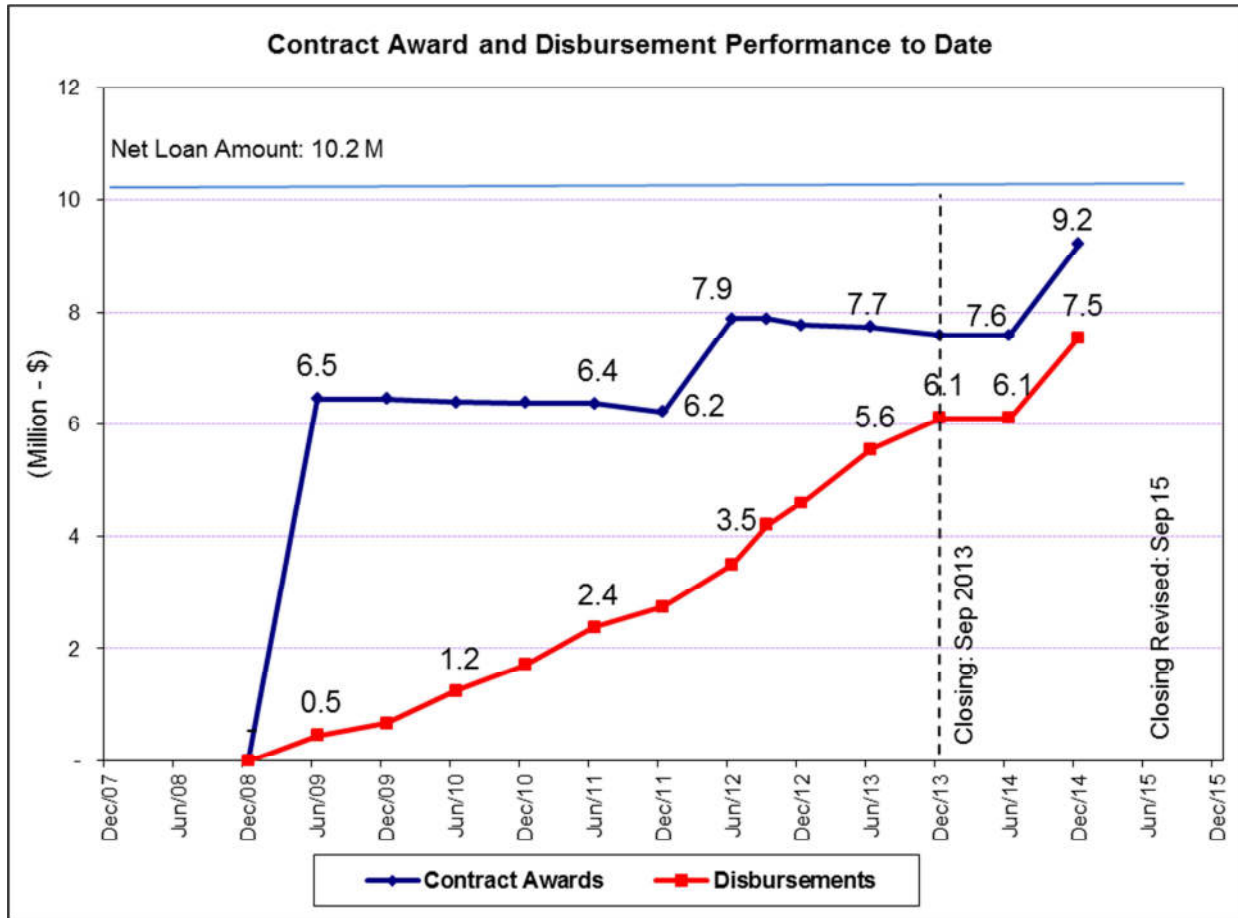
D- Project Monitoring Framework (Current Status)

The status of subsequent tranches is given below:

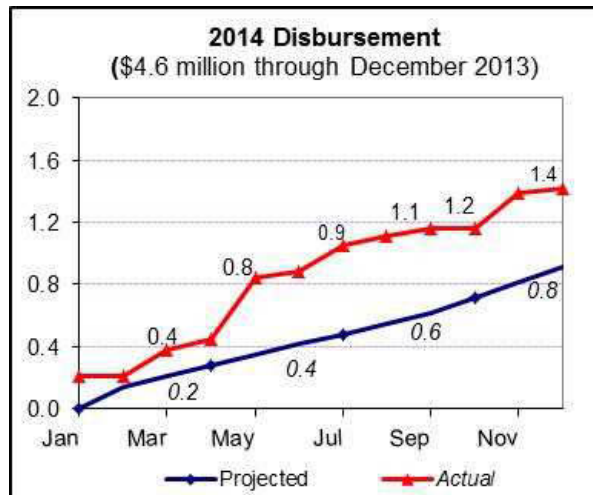
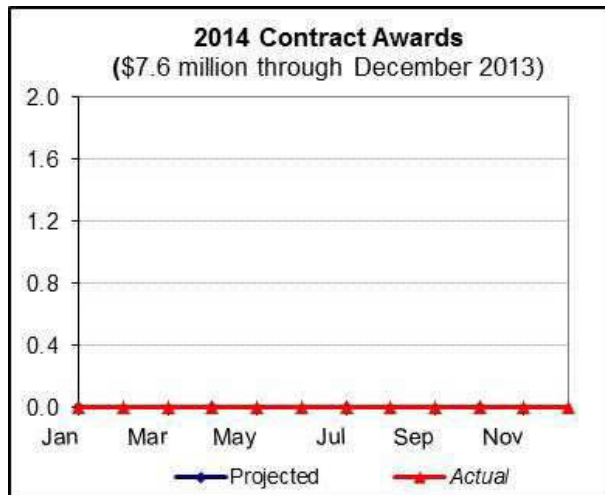
| Outputs | Status with Key Activities |
|--|---|
| Tranche 2: New Khanki Barrage Project (\$270 million) | Approved in Dec 2011, signed in Jan 2012 and effective in Feb 2012. |
| Tranche 3: Suleimanki Barrage and Pakpattan Canal Improvement Project (\$73 million) | Approved on 13 December 2012. Signed on 30 April 2013 and became effective on 6 June 2013 |
| Trimmu and Punjnad Barrages (\$150 million) (standalone loan) | Approved on 22 September 2014. Signed on 5 December 2014 and yet to be effective. |

| | |
|--|---|
| <p>Pakpattan distribution system (\$120 million) and Thal canal (\$250 million).</p> | <p>Pakpattan Canal: Feasibility study and detailed design completed. PC-1 prepared. Climate change assessment study to be carried out as it became requirements now. Project is ready.</p> <p>Thal Canal: Feasibility study is complete. Detailed design completed. PC-1 is under preparation. Climate change assessment study to be carried out as it became requirements now. Project is ready.</p> |
| <p>Cholistan Water Resources Development Project</p> | <p>Feasibility study is in progress</p> |
| <p>Link Canals Remodeling</p> | <p>Feasibility study is in progress</p> |

E- Contract Award and Disbursement Performance over Project Life



F- Contract Award and Disbursement Targets and Achievements in 2014



G- Action Plan discussed during CPR 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom | Update as of 31 Dec 2014 |
|----------------|--|--|--|-----------------|---|
| 2 | Decision on the balance MFF amount of \$129 million equivalent should be made soon so that adequate time is available in case processing of T-4 is required. | Pakpattan canal distribution system of \$120 million best fits as (i) it falls within balance amount, (ii) it can bring entire benefits of on-going Suleimanki barrage and Pakpattan canal project and (iii) project is ready with detailed engineering design available and is on government's priority | After approval of supplementary financing for Loan 2299-PAK, the EA will assess the balance available amount and submit the proposal if required | EA, EAD and ADB | Government request for the use of balance amount awaited. |

H. Action Plan to be discussed during QPR Q4, 2014

| Sr. | Issue | Action to be Taken | Due Date | By Whom |
|------------|--------------|---------------------------|-----------------|----------------|
| | | | | |
| | | (None) | | |
| | | | | |
| | | | | |
| | | | | |

Loan 2841-PAK(SF): Punjab Irrigated Agriculture Program Tranche II

\$ Million

| Approval Date | Signing Date | Effective Date | Closing Date | Closing Date (Revised) | Elapsed Time | Project Rating as of 31 Dec14 |
|-----------------|-----------------|----------------|------------------------------|------------------------|-----------------|-------------------------------|
| 22-Dec-11 | 18-Jan-12 | 17-Feb-12 | 31-Dec-16 | 31-Dec-16 | 50% | |
| Approved Amount | Net Loan Amount | Financing | EA/IA | Project Officer | Project Analyst | |
| 270.00 | 253.547 | ADF | Irrigation Department Punjab | A. Ali | Elena A | On Track |

B- Loan Financial Progress

As of 30 June 2014

| Contract Award (Cumulative) | Un-contracted Loan Balance | Contract Award Performance % | Contract Award for 2014 | |
|-----------------------------|----------------------------|------------------------------|-------------------------|--------|
| | | | Projections | Actual |
| 193.973 | 59.574 | 77 | 0.144 | 0.282 |
| Disbursements (Cumulative) | Un-disbursed Loan Balance | Disbursement Performance % | Disbursements for 2014 | |
| | | | Projections | Actual |
| 77.171 | 176.377 | 30 | 7.325 | 40.486 |

C- Project Description

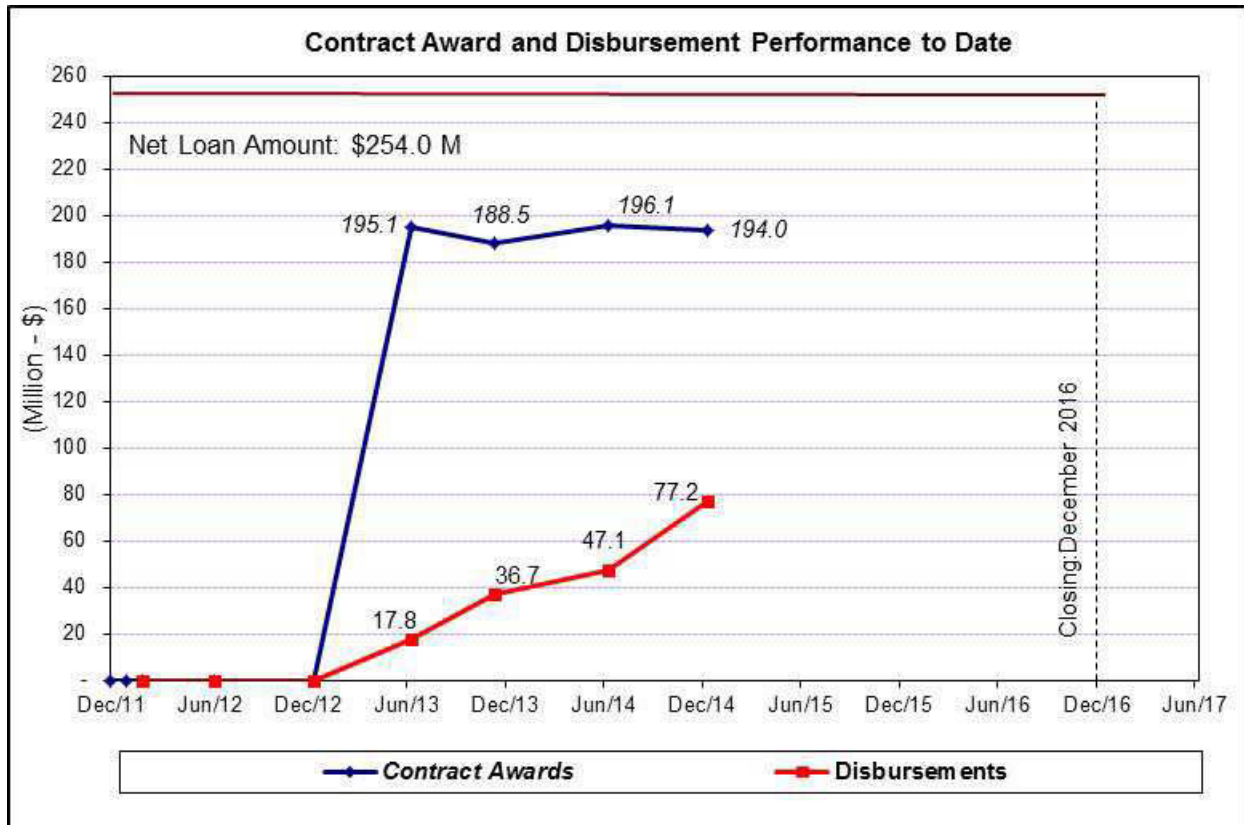
1. This is the second tranche of \$700 million MFF-Punjab Irrigated Agriculture Investment Program (PIAIP). The PIAIP is supporting physical and nonphysical investments in the water resource and irrigated agriculture sectors in Punjab, Pakistan. The PIAIP is taking a holistic and integrated approach to improving sector performance supported through institutional reform with a focus on sustainability, decentralized management, transparency, and accountability.

2. The scope of Tranche-II is construction of New Khaki Barrage which will improve sustainable delivery of irrigation water to Lower Chenab Canal (LCC). The project will benefit Gujranwala, Hafizabad, Sheikhpura, Nankana Sahib, Faisalabad, Jhang and Toba Tek Singh districts. The outcome will be the sustainable improved delivery of irrigation water for agriculture in the LCC command. The outcome indicators include ensure designed water supplies up to 326m³/s diverted to the canal for at least 90% of the year with no risk of failure compared to high risk of failure now and to have more climate-resilient infrastructure with strengthened flood design capacity for a return period event of 1:100 years.

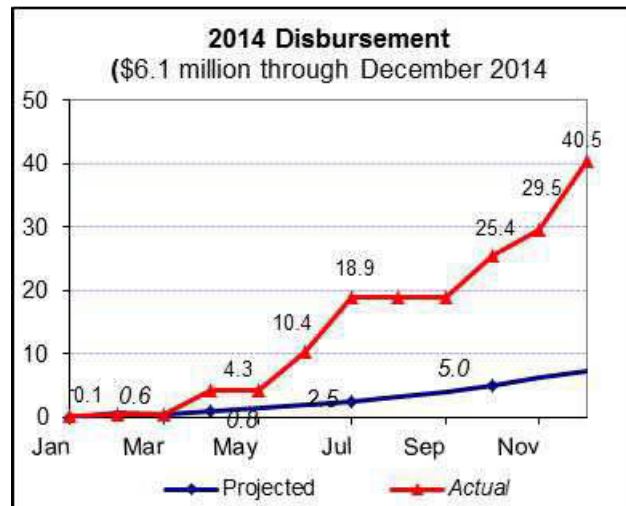
D- Project Framework Monitoring (Current Status)

| Outputs | Status with Key Activities |
|---------------------------------|---|
| New Khanki Barrage ICB contract | Contract of New Khanki Barrage awarded in May 2013. All the major contracts already awarded (civil works and consultancy). Consultants and contractor mobilized and construction is in progress. Physical progress on Khanki Barrage works is 39%. LARP approved and land cost evaluated by Revenue Department. |

E- Contract Award and Disbursement Performance over Project Life



F- Contract Award and Disbursement Targets and Achievements in 2014



G. Status of Action Plan Agreed during CPR 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom | Update as of 31 Dec 2014 |
|---------|---|--|--|--------------|--|
| 1 | Performance of consultants leading to slow progress | The EA monitors the consultants' performance and submits monthly report to ADB EA will expedite replacement of consultant's team leader | Monthly basis End of September 2014 | EA EA | This is no more an issue. The EA replaced the Team leader in Mid Oct 2014. |

H- Action Plan to be discussed during QPPR Q4, 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom |
|---------|-------|--------------------|----------|---------|
| | | | | |
| | | | | |
| | | NONE | | |
| | | | | |
| | | | | |

Loan 2971-PAK: Punjab Irrigated Agriculture Program Tranche III

A - Loan Basic Data

\$ Million

| Approval Date | Signing Date | Effective Date | Closing Date | Closing Date (Revised) | Elapsed Time | Project Rating as of 31Dec 14 |
|-----------------|-----------------|----------------|------------------------------|------------------------|-----------------|-------------------------------|
| 13-Dec-12 | 30-Apr-13 | 6-Jun-13 | 31-Mar-17 | 31-Dec-16 | 48% | |
| Approved Amount | Net Loan Amount | Financing | EA/IA | Project Officer | Project Analyst | On Track |
| 73.0 | 73.0 | OCR | Irrigation Department Punjab | A. Ali | T. Igaya | |

B- Loan Financial Progress

As of 30 June 2014

| Contract Award (Cumulative) | Un-contracted Loan Balance | Contract Award Performance % | Contract Award for 2014 | |
|-----------------------------|----------------------------|------------------------------|-------------------------|--------|
| | | | Projections | Actual |
| 58.078 | 14.922 | 80 | 3.330 | 58.078 |
| Disbursements (Cumulative) | Un-disbursed Loan Balance | Disbursement Performance % | Disbursements for 2014 | |
| | | | Projections | Actual |
| 11.478 | 61.522 | 16 | 0.333 | 11.431 |

C- Project Description

1. Pakpattan Canal and Suleimanki Barrage Improvement Project (PCSBIP) is located in Punjab Province of Pakistan. Improvement of Suleimanki Barrage will ensure reliable water supply to 1.01 million ha through its three canals including Pakpattan, Fordwah and Eastern canals and will benefit more than 360,000 farming families. Pakpattan canal alone provides irrigation to 500,000 ha. Rehabilitation and upgrading of only Pakpattan canal along with Suleimanki Barrage is included under the project.

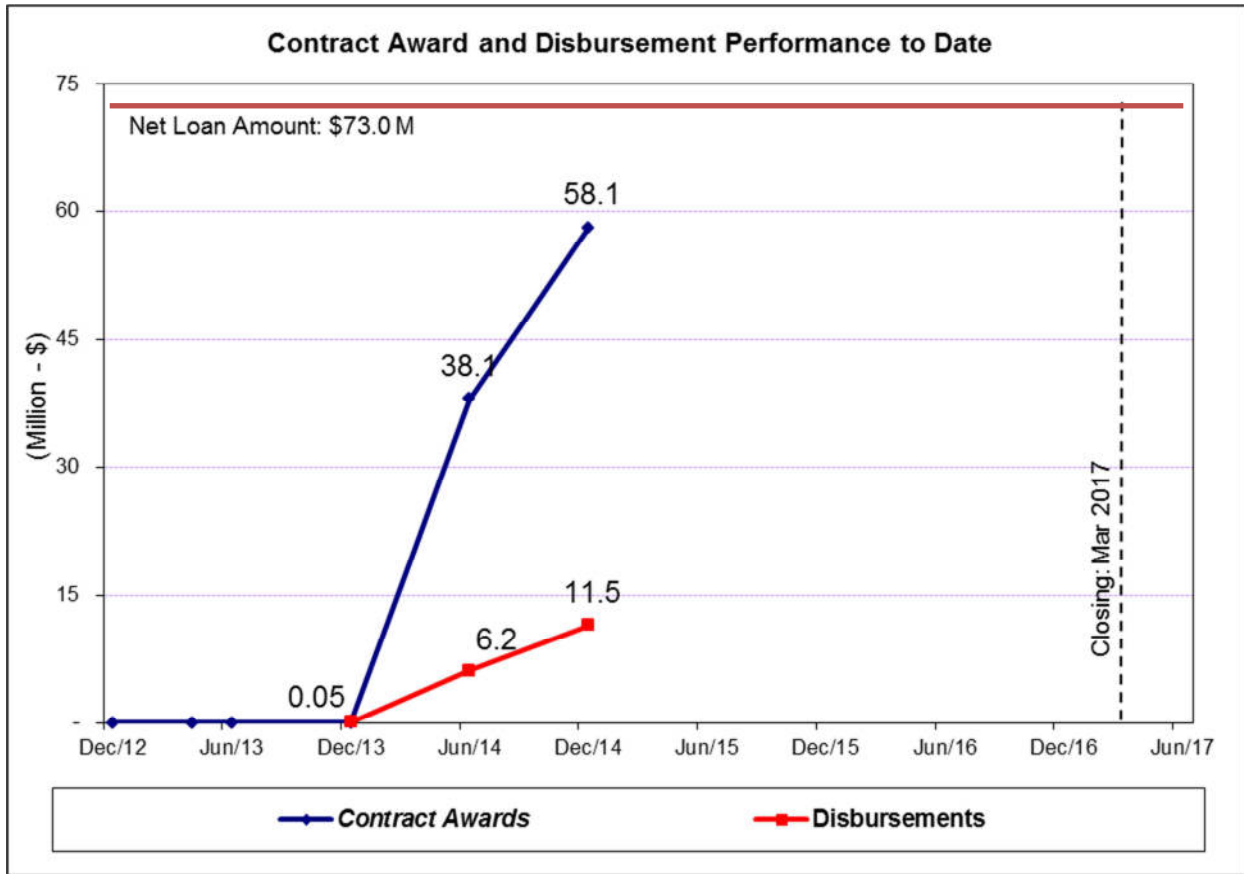
2. The impact of the proposed project will be the improved agricultural production and farm income in Pakpattan Canal command area (Okara, Pakpattan, Vehari and Lodhran districts). The outcome will be the improved and reliable water supplies for irrigated agriculture in Pakpattan Canal command area. The project outputs will be (i) rehabilitation of Pakpattan Canal and Suleimanki Barrage completed on time and within the budget; and (ii) EA's improved project management capacity. The project outputs will be achieved through recruitment of supervision consultants, rehabilitation of main weir and canals head regulators, installation of barrage gates and rehabilitation of Pakpattan Canal, Khadir Branch canal and Pakpattan-Islam link canal and appurtenant structures.

3. The project will provide improved and reliable water supplies for irrigated agriculture in Pakpattan canal command areas and ensure that designed water supplies up to 156 m³/s diverted to the canal and distribution system for at least 90% of the year by 2017 with no risk of failure compared to high risk of failure now. Further, the improved barrage will eliminate the annual water leakage of 267 million cubic meters by 2017. The project will provide improved 336 km length of canals and more than 319 appurtenant structures by 2017.

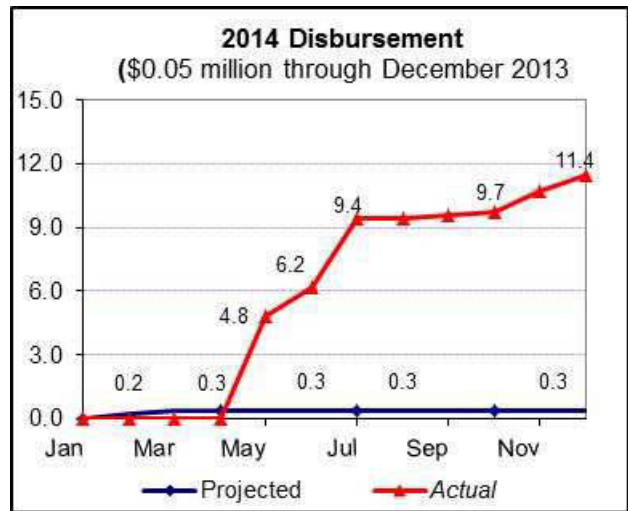
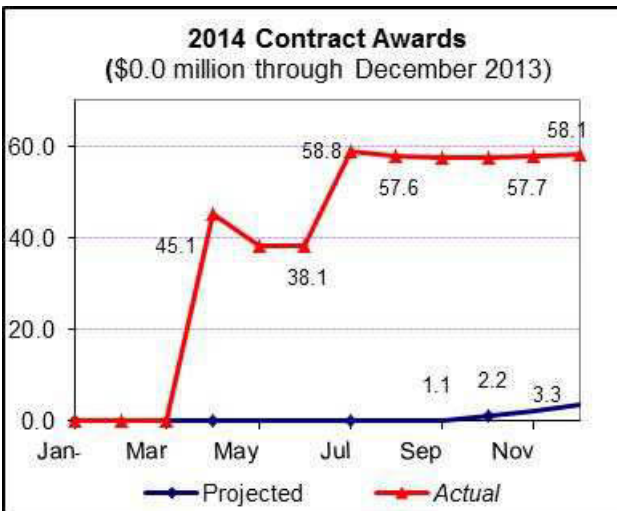
D- Project Monitoring Framework (Current Status)

| Outputs | Status with Key Activities |
|--|---|
| Rehabilitation of Pakpattan canal and Suleimanki Barrage completed on time and within the budget with (i) improvement by 2017 in 336 km length of canals and more than 319 appurtenant structures and, (ii) elimination by 2017, the annual water leakage of 267 million cubic meter | All the works and consultancy contracts already awarded. Contractors and consultants mobilized and work is in progress. |
| EAs improved project management capacity with 14 PMO's 14 senior staff trained | Not yet started |

E- Contract Award and Disbursement Performance over Project Life



F- Contract Award and Disbursement Targets and Achievements in 2014



G. Status of Action Plan Agreed during CPR Mission 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom | Update as of 31 Dec 2014 |
|----------------|----------------------|--|--|-------------------------|---------------------------------|
| 1 | Incomplete staffing | The EA will complete remaining PMO staffing | Within the month of September and October 2014 | EA | The issue persists. |
| 2 | Finalization of LARP | LARP of Sulemanki & Pakpattan canal is yet to be finalized | End of September 2014 | EA, Consultants and ADB | ADB approved LARP in Sep 2014 |

H. Action Plan to be discussed during QPPR Q4, 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom |
|----------------|---------------------|---|-----------------|----------------|
| 1 | Incomplete staffing | The EA will complete remaining PMO staffing | Immediate | EA |

Loan 3159-3160-PAK: Trimmu and Punjnad Barrages Improvement Project

A - Loan Basic Data

| | | | | | | \$ Million |
|-----------------|-----------------------------|----------------|------------------------------|------------------------|-----------------|-------------------------------|
| Approval Date | Signing Date | Effective Date | Closing Date | Closing Date (Revised) | Elapsed Time | Project Rating as of 31Dec 14 |
| 22-Sep-14 | 5-Dec-14 | Not effective | 31-Aug-17 | 31-Mar-21 | 4% | |
| Approved Amount | Net Loan Amount | Financing | EA/IA | Project Officer | Project Analyst | On Track |
| 150.0 | 50.0 94.3 Total 144.3 | OCR ADF | Irrigation Department Punjab | A. Ali | E. De Castro | |

B- Loan Financial Progress (As of 31Dec 2014)

Loan 3159-PAK

| Contract Award (Cumulative) | Un-contracted Loan Balance | Contract Award Performance % | Contract Award for 2014 | |
|-----------------------------|----------------------------|------------------------------|-------------------------|--------|
| | | | Projections | Actual |
| - | - | - | - | - |
| Disbursements (Cumulative) | Un-disbursed Loan Balance | Disbursement Performance % | Disbursements for 2014 | |
| | | | Projections | Actual |
| - | - | - | - | - |

Loan 3160-PAK (SF)

| Contract Award (Cumulative) | Un-contracted Loan Balance | Contract Award Performance % | Contract Award for 2014 | |
|-----------------------------|----------------------------|------------------------------|-------------------------|--------|
| | | | Projections | Actual |
| - | - | - | - | - |
| Disbursements (Cumulative) | Un-disbursed Loan Balance | Disbursement Performance % | Disbursements for 2014 | |
| | | | Projections | Actual |
| - | - | - | - | - |

C- Project Description

1. The project will rehabilitate and upgrade the 80–90 years old Trimmu and Punjnad barrages to (i) provide reliable irrigation water to 1.74 million hectares (ha) through six main canals; (ii) primarily benefit 600,000 farming families (about 4.0 million people) in seven districts in Punjab; and (iii) help reduce risk of communities against floods (150,000 people), droughts, and pressure on groundwater abstraction.

2. The expected impact of TPBIP will be the sustained agricultural production and farm income in the barrages command area. The expected project outcome will be the safe and secured Trimmu and Punjnad barrages deliver reliable irrigation water supplies to their canals.

3. The project outputs will be (i) rehabilitated and upgraded Trimmu barrage; (ii) rehabilitated and upgraded Punjnad barrage; and (iii) improved capacity of the communities and PID. The outputs will be achieved through (a) increasing flood capacities of the barrages, (b) improving stability of the existing structures against climate variability, erosion and sedimentation, (c) training of the communities and PID staff in flood risk management and integrated water resources management, and (d) social activities such as Public Park and upgraded basic health unit and girl's school. Each barrage will be provided with construction supervision and safeguard monitoring teams to monitor implementation of land acquisition and resettlement plan (LARP) and environmental management plans. The details have been provided in the design and monitoring framework (DMF).

D- Project Monitoring Framework (Current Status)

| Outputs | Performance Indicators with Baseline | Status with Key Activities |
|--|--|----------------------------|
| 1. Rehabilitated and upgraded Trimmu Barrage. | Trimmu barrage water supply capacity (to the associated canals) is maintained at 577.14 m ³ /s in 2020 (2014 baseline: 577.14 m ³ /s) | |
| | Water losses through the gates reduced to zero by 2020 (2014 baseline: 15.3 m ³ /s) | |
| | Trimmu barrage flood capacity is increased to 24,777 m ³ /s by 2020 (2014 baseline: 12,743 m ³ /s) | |
| | One women's basic health unit upgraded by 2020 (2014 baseline 'none'). | |
| 2. Rehabilitated and upgraded Punjnad barrage. | Punjnad barrage water supply capacity (to the associated canals) is maintained at 408.7 m ³ /s in 2020 (2014 baseline: 408.7 m ³ /s) | |
| | 50 women trained at vocational center by 2020 (2014 baseline: zero). | |
| | Water losses through the gates are reduced to zero by 2020 (2014 baseline: 14.2 m ³ /s) Punjnad barrage flood capacity is increased to 24,495 m ³ /s by 2020 (2014 baseline: 19,822 m ³ /s) | |

| Outputs | Performance Indicators with Baseline | Status with Key Activities |
|--|---|-----------------------------------|
| | One girls' primary school is upgraded to a high school by 2020 (2014 baseline: 'none') | |
| 3. Improved capacities of the communities and PID. | 50 women trained at vocational center by 2020 (2014 baseline: zero). | |
| | PID uses revised guidelines for O&M of the barrages by 2020 (2014 baseline: 'no') | |
| | At least 10 PID's PMO staff and local population use skills in IWRM and FRM approaches by 2020 (2014 baseline: zero) | |
| | Executing agency's SPRU and PEA operationalize IWRM and FRM approaches in PID by 2020 (2014 baseline: 'no') | |

Action Plan to be discussed during QPR Q4, 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom |
|----------------|-----------------------|--|-----------------|---------------------|
| 1 | Loan is not effective | Punjab has to send draft legal opinion on project agreement for ADB review | Immediate | P&DD to EAD and ADB |

Loan 3239-PAK: FATA Water Resources Development Project

A - Loan Basic Data

\$ Million

| Approval Date | Signing Date | Effective Date | Closing Date | Closing Date (Revised) | Elapsed Time | Project Rating as of 31 Dec 14 |
|-----------------|-----------------|----------------|------------------|------------------------|-----------------|--------------------------------|
| 15-Dec-14 | Not signed | Not effective | 30-Sep-20 | - | 1% | |
| Approved Amount | Net Loan Amount | Financing | EA/IA | Project Officer | Project Analyst | |
| 43.0 | 42.466 | ADF | FATA Secretariat | D. Walton | Zubaida | Not Rated |

B- Loan Financial Progress (As of 31Dec 2014)

| Contract Award (Cumulative) | Un-contracted Loan Balance | Contract Award Performance % | Contract Award for 2014 | |
|-----------------------------|----------------------------|------------------------------|-------------------------|--------|
| | | | Projections | Actual |
| - | - | - | - | - |
| Disbursements (Cumulative) | Un-disbursed Loan Balance | Disbursement Performance % | Disbursements for 2014 | |
| | | | Projections | Actual |
| - | - | - | - | - |

C- Project Description

1. The Project will address low farm productivity, high poverty incidence, and pervasive food insecurity in the Federally Administered Tribal Areas (FATA). It will increase agriculture production and household incomes by providing reliable irrigation to non-irrigated rain fed farmlands and non-cultivated lands. The project includes the construction of new irrigation infrastructure, improved on-farm water management through activities such as terracing and land leveling, and watershed management. The Project will also strengthen the project area's natural resource base by improving selected watersheds, which will enhance the recharging of underground aquifers and reduce the impact of floods. The project will benefit 116,751 households, or about 1.4 million people, in the project area and improve about 9,700 hectares (ha) of land.

2. The project impact will be increased farm incomes in the project areas (Bajaur, Khyber, and Mohmand agencies), thereby reducing poverty and increasing household food security. The project outcome will be improved agricultural productivity of selected watersheds and conservation of their associated natural resource base.

3. Project outputs consist of (i) construction of new irrigation infrastructure, including nine small concrete gravity dams (each with a maximum height of 15 meters), 31 diversion weirs, and 95 kilometers of main and secondary irrigation channels; (ii) improved on-farm water management through construction of 144 kilometers of lined watercourses, terracing and land leveling on a command area of 4,615 ha, and installation of rain and stream gauges to measure water availability; (iii) improved watershed management on 5,050 ha through afforestation of the degraded watersheds and, where appropriate, the construction of check dams; and (iv) efficient project management and evaluation, including establishment of a project management unit and

three project implementation units, timely procurement of goods, works and recruitment of consulting services, and effective financial management.

D- Project Monitoring Framework (Current Status)

| Outputs | Performance Indicators with Baseline | Status with Key Activities |
|---|---|----------------------------|
| 1. Construction of new irrigation infrastructure. | By 2020 the command area receiving secure irrigation supply increased to 4,291 ha (2014 baseline = 1,294 ha) | |
| 2. Improved on-farm water management | Average irrigation requirements reduced to 3.70 mcm/ha from land leveling by 2020 Water measuring gauges installed and provide real time information | |
| 3. Improve Watershed management . | At least 5,050 ha of targeted watersheds have effective vegetation cover (2014 baseline = 0 ha) | |
| 4. Efficient project management and evaluation | Over 90% of contracts are awarded and completed on time and within budget Quarterly progress reports, annual reports, and audit reports are submitted within 4 weeks of due date | |

E. Action Plan to be discussed during QPR Q4, 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom |
|---------|--|--|-------------|---------------------------------|
| 1 | PC-1 is not yet approved which may delay loan signing and effectiveness. | PC-1 approval by CDWP and ECNEC should be expedited. | 31 Mar 2014 | FATA Secretariat EAD/ADB |

Loan 2286-PAK:MFF Renewable Energy Development Sector Investment Program Tranche I

A - Loan Basic Data

\$ Million

| Approval Date | Signing Date | Effective Date | Closing Date | Closing Date (Revised) | Elapsed Time* | Project Rating as of 31Dec 14 |
|-----------------|-----------------|----------------|---|------------------------|-----------------|-------------------------------|
| Approved Amount | Net Loan Amount | Financing | EA/IA | Project Officer | Project Analyst | |
| 13-Dec-06 | 5-Oct-07 | 29-Nov-07 | 30-Jun-12 | 30-Jun-16 | 79% | On Track |
| 105.0 | 116.2 | OCR | PEDO, Go Khyber Pakhtunkhwa, Punjab Power Management Unit, Energy Department GoPunjab | M. Wolf | A. Soriano | |

*Based on revised loan closing date

B- Loan Financial Progress

As of 31Dec 2014

| Contract Award (Cumulative) | Un-contracted Loan Balance | Contract Award Performance % | Contract Award for 2014 | |
|-----------------------------|----------------------------|------------------------------|-------------------------|--------|
| | | | Projections | Actual |
| 115.944 | 0.234 | 99.8 | – | – |
| Disbursements (Cumulative) | Un-disbursed Loan Balance | Disbursement Performance % | Disbursements for 2014 | |
| | | | Projections | Actual |
| 62.189 | 53.989 | 54 | 26.195 | 25.190 |

C- Project Description

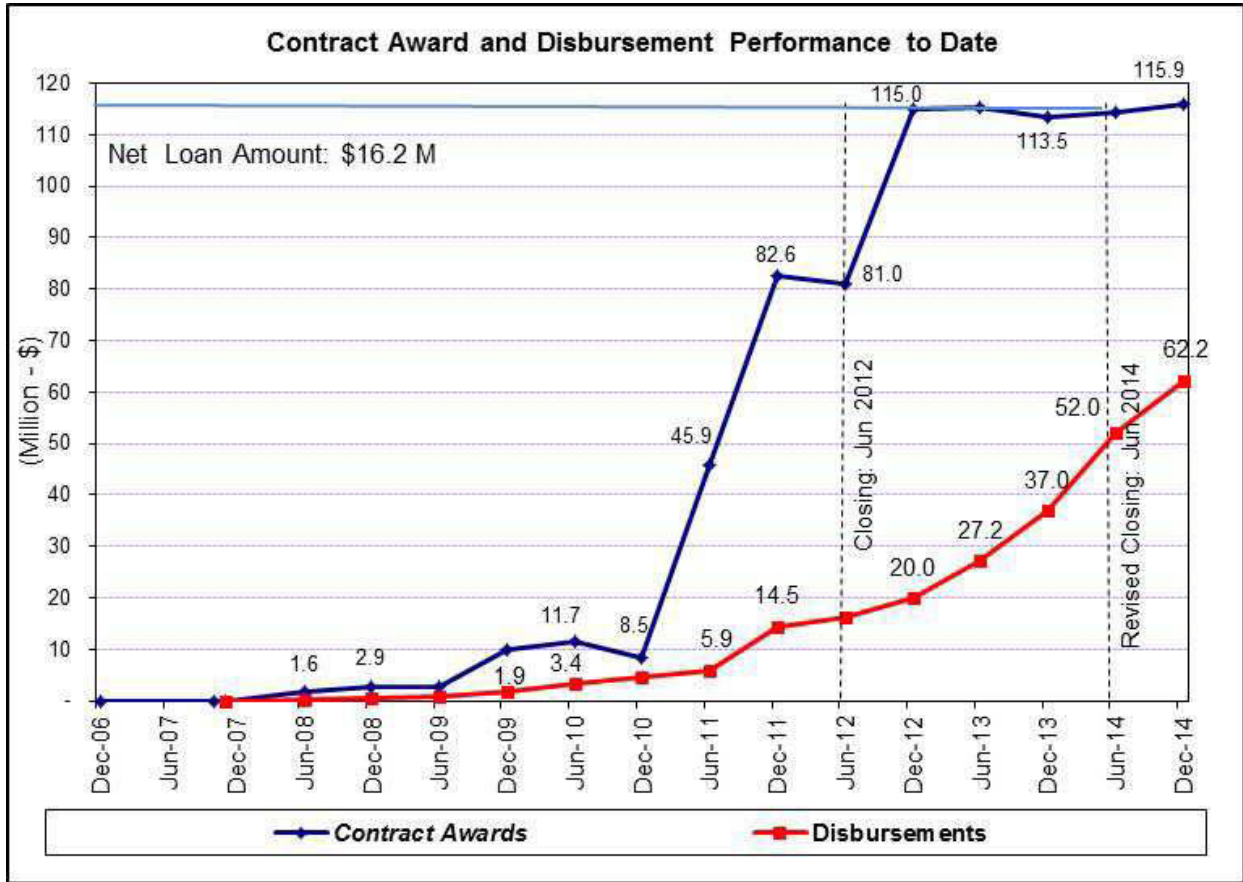
1. The Project will develop indigenous, nonpolluting, and renewable sources of energy to help meet Pakistan's power shortage and diversify the power sources. It will also improve the quality of the power system, especially in rural areas. Under the first set of subprojects, Khyber Pakhtunkhwa identified a cluster of small hydropower from perennial high-head rivers that are abundant in the province. Punjab province also developed a cluster of low-head, high-volume small hydropower stations that can be installed in the existing irrigation canal system with perennial water flows. An effort will also be made for capacity development of renewable energy sector related agencies.

2. The project suffered delays at the commencement. The completion of the Project by the loan closing date of 30 June 2012 was not possible despite some improved progress in procurement process and extended till June 2014.

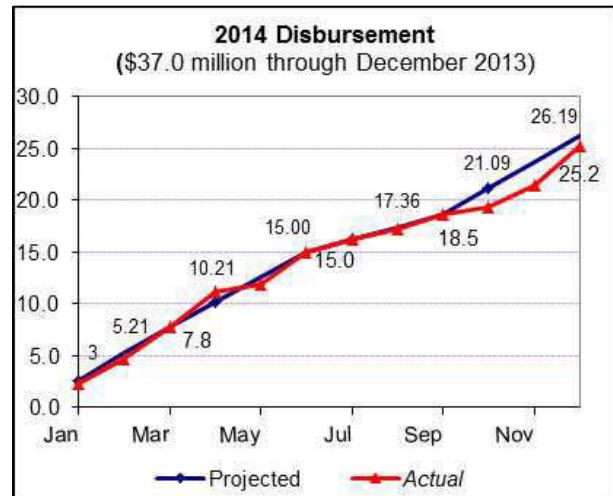
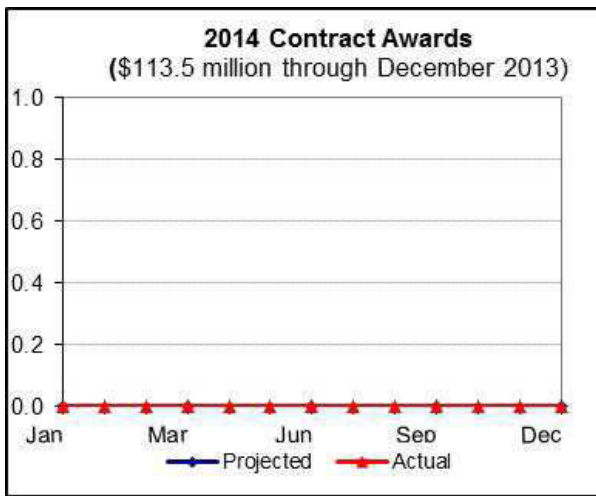
D- Project Monitoring Framework (Current Status)

| Outputs | Status with Key Activities |
|---|--|
| Clean Energy Development Small to medium-size hydropower stations in KP and Punjab | <p><u>6 Awarded HPPs</u></p> <p>The overall financial progress on KP component is 91% 17.0 MW Ranolia KP (Progress 79%) 2.6 MW Machai KP (Progress 89%)</p> <p>The overall financial progress on Punjab component is 33% 7.64 MW Marala Punjab (Progress 43%) 2.82 MW Pakpattan Punjab (Progress 43%) 4.04 MW Deg Outfall Punjab (Progress 15%) 5.38 MW Chianwali Punjab (Progress 13%)</p> <p>Government of Punjab will finance the 4.16 MW Okara HPP from its own resources.</p> |

E- Contract Award and Disbursement Performance over Project Life



F- Contract Award and Disbursement Targets and Achievements in 2014



G- Status of Action Plan Agreed during CPR 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom | Update as of 31 Dec 2014 |
|---------|---|---|----------------|-------------------|--|
| 1 | <p>Slow implementation of project especially on Marala and Pakpattan HPPs and Mission observations on following aspects:</p> <p>(i) contractor's request to change the manufacturer at the belated stage;</p> <p>(ii) contractor's request to extend the construction phase to 2015 meaning that operation and testing in full flow condition will complete in early 2016 (closer to extended date);</p> <p>(iii) construction problems and contractor's capacity; and</p> <p>(iv) The remaining 2 HPPs (Deg Out-Fall and Chianwali) have scheduled completion in late 2015 and early 2016.</p> | <p>As the loan closing date extended to 30 June 2016 for completion of all works, the Mission strongly recommended ADB and EA hold a special project review mission to (i) discuss the contractual and construction milestone for each contract, (ii) assess any issue or bottlenecks, and (iii) recommend solutions.</p> | Immediate | ADB and EA Punjab | <p>Done.</p> <p>Actual physical progress based on the latest progress report, September 2014:</p> <p>Marala: around 28%</p> <p>Pakpattan: around 28%</p> <p>Deg Outfall: around 5%</p> <p>Chianwali: around 5%</p> |
| 2 | Completion of KP component | The 2 HPPs in Khyber Pakhtunkhwa have reached 80% to 90% progress and will be completed | By end of 2014 | EA KP | <p>The work did not complete by Dec 2014.</p> <p>Progress on Machai HPP is 71.58% (as of Nov 2014) and 75.37% on Ronolia HPP as of Jul 2014.</p> |

H. Action Plan to be discussed during QPPR Q4, 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom |
|---------|--|--|-----------------------------------|---------------|
| 1 | Marala & Pakpattan; Contractor's request for change of manufacturer | PPMU shall finalize with consultants and settle the issue | 30 Jan 15 | PPMU |
| 2 | Insufficient provisions of the Project Implementation Consultancy contract to cover the expenditures | Government to initiate variation in the consultant's contract to cover the additional expenditure. | 30 Jan 15 | IA/ADB |
| 3 | Machai HPP: Addendum 3 on Management Consultancy Services | To review the IA's clarification | 30 Jan 15 | ADB |
| 4 | Ranolia HPP: Review of request to amend the letter of credit no. BOK0001DC120/aa | For ADB's review | 30 Jan 15 | ADB |
| 5 | Ranolia HPP: Submission of latest progress report | The latest progress report submitted to ADB was July 2014. PEDO to submit the other progress reports after July 2014. . | 30 Jan 15 | PEDO |
| 6 | Punjab: Submission of latest progress reports | The latest progress report submitted to ADB was September 2014. PPMU to submit the other progress reports after September 2014. . | 30 Jan 15 | Punjab |
| 7 | Completion of works within the loan closing date | The work in Punjab, particularly on two HPPs (Deg Outfall and Chianwali) will not be completed within the existing loan closing date. An extension will be required to complete all awarded scope. | Timeline to discussed at Wrap up. | PPMU/EAD/ ADB |

Loan 2287-PAK(SF): MFF Renewable Energy Development Sector Investment Program

A - Loan Basic Data

\$ Million

| Approval Date | Signing Date | Effective Date | Closing Date | Closing Date (Revised) | Elapsed Time* | Project Rating as of 31 Dec 14 |
|-----------------|-----------------|----------------|--|------------------------|-----------------|--------------------------------|
| 13-Dec-06 | 5-Oct-07 | 29-Nov-07 | 30-Jun-12 | 30-Jun-16 | 84% | |
| Approved Amount | Net Loan Amount | Financing | EA/IA | Project Officer | Project Analyst | |
| 10.00 | 5.318 | ADF | SHYDO, Go Khyber Pakhtunkhwa, Punjab Power Management Unit, Energy Department GoPunjab | F. Cleo Kawasaki | M. Wolf | On Track |

*Based on revised loan closing date (if any)

B- Loan Financial Progress

As of 31 December 2014

| Contract Award (Cumulative) | Un-contracted Loan Balance | Contract Award Performance % | Contract Award for 2014 | |
|-----------------------------|----------------------------|------------------------------|-------------------------|--------|
| | | | Projections | Actual |
| 3.111 | 2.207 | 59 | 0.062 | 0.063 |
| Disbursements (Cumulative) | Un-disbursed Loan Balance | Disbursement Performance % | Disbursements for 2014 | |
| | | | Projections | Actual |
| 2.872 | 2.446 | 54 | 0.156 | 0.103 |

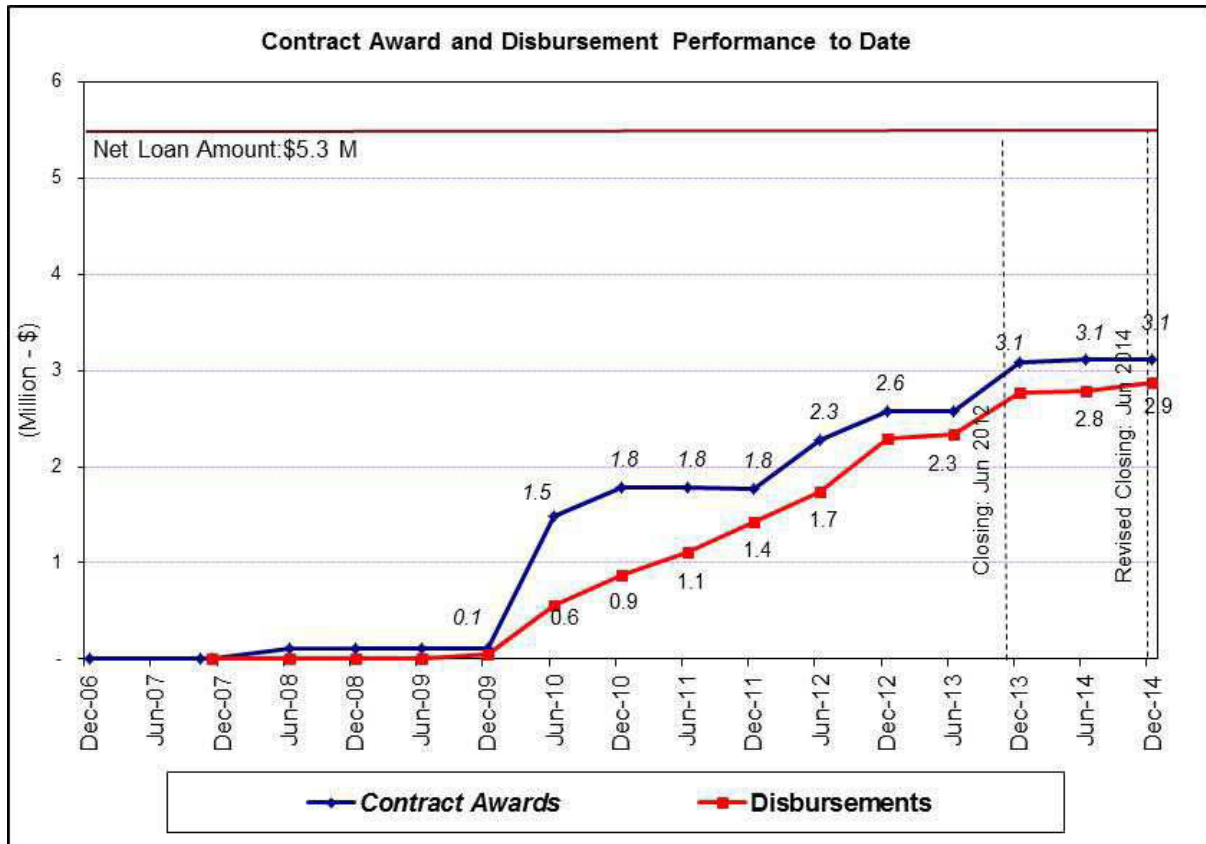
C- Project Description

1. The Project mainly deals with capacity development aspect in support of Loan 2286-PAK. The outcomes include (i) enhanced capacity of the provincial governments and power utilities to identify and conduct feasibility study on potential renewable energy schemes; and (ii) improved technical capability in renewable energy and overall financial performance of the provincial power utilities

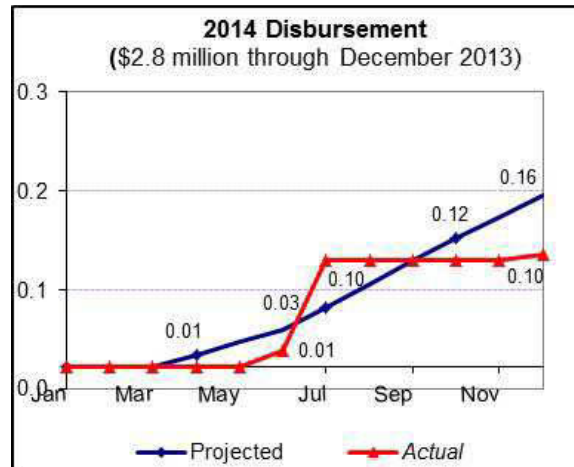
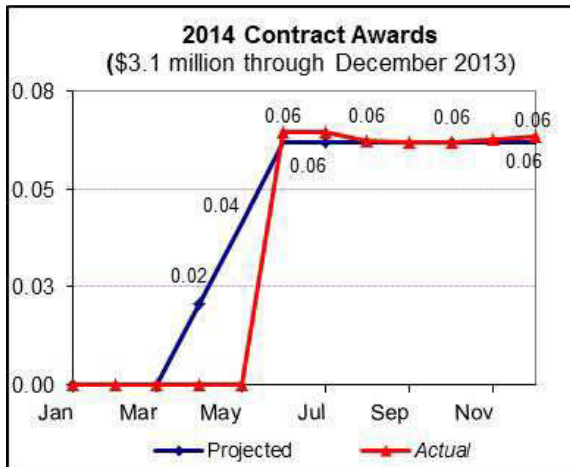
D- Project Monitoring Framework (Current Status)

| Outputs | Status with Key Activities |
|---|--|
| Due Diligence/Feasibility studies | All 8 feasibility studies are completed (three in KP and five in Punjab) |
| Capacity Development/Training needs assessment at the provincial and project levels | Capacity development consultant recruitment is completed in KP and PEDO staff has undergone training within Pakistan and abroad. Most of the uncommitted portion of ADF loan to Punjab has been cancelled (some portion was kept for CDM Consultant, which Punjab engaged for registration of 5 HPPs for carbon credits). Construction of SHYDO building is complete. The procurement of durable goods is complete |

E- Contract Award and Disbursement Performance over Project Life



F- Contract Award and Disbursement Targets and Achievements in 2014



G- Action Plan to be discussed in upcoming QPPR Q4, 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom |
|----------------|---|---------------------------|-----------------|----------------|
| 1 | Contract variation 1 for CDM consultant | For ADB's review. | 30 Jan 15 | ADB |

Loan 2290-PAK(SF):Power Transmission Enhancement Investment Support Component

A - Loan Basic Data

\$ Million

| Approval Date | Signing Date | Effective Date | Closing Date | Closing Date (Revised) | Elapsed Time | Project Rating as of 31Dec 14 |
|-----------------|-----------------|----------------|--------------|------------------------|-----------------|-------------------------------|
| 13-Dec-06 | 16-Jan-07 | 11-May-07 | 15-Jun-17 | – | 80% | |
| Approved Amount | Net Loan Amount | Financing | EA/IA | Project Officer | Project Analyst | |
| 10.00 | 10.05 | ADF | NTDC | M. Wolf | M. Favis | On Track |

B- Loan Financial Progress

As of 31December 2014

| Contract Award (Cumulative) | Un-contracted Loan Balance | Contract Award Performance % | Contract Award for 2014 | |
|-----------------------------|----------------------------|------------------------------|-------------------------|--------|
| | | | Projections | Actual |
| 5.036 | 5.016 | 50 | 0.975 | 0.975 |
| Disbursements (Cumulative) | Un-disbursed Loan Balance | Disbursement Performance % | Disbursements for 2014 | |
| | | | Projections | Actual |
| 3.600 | 6.452 | 36 | – | 0.391 |

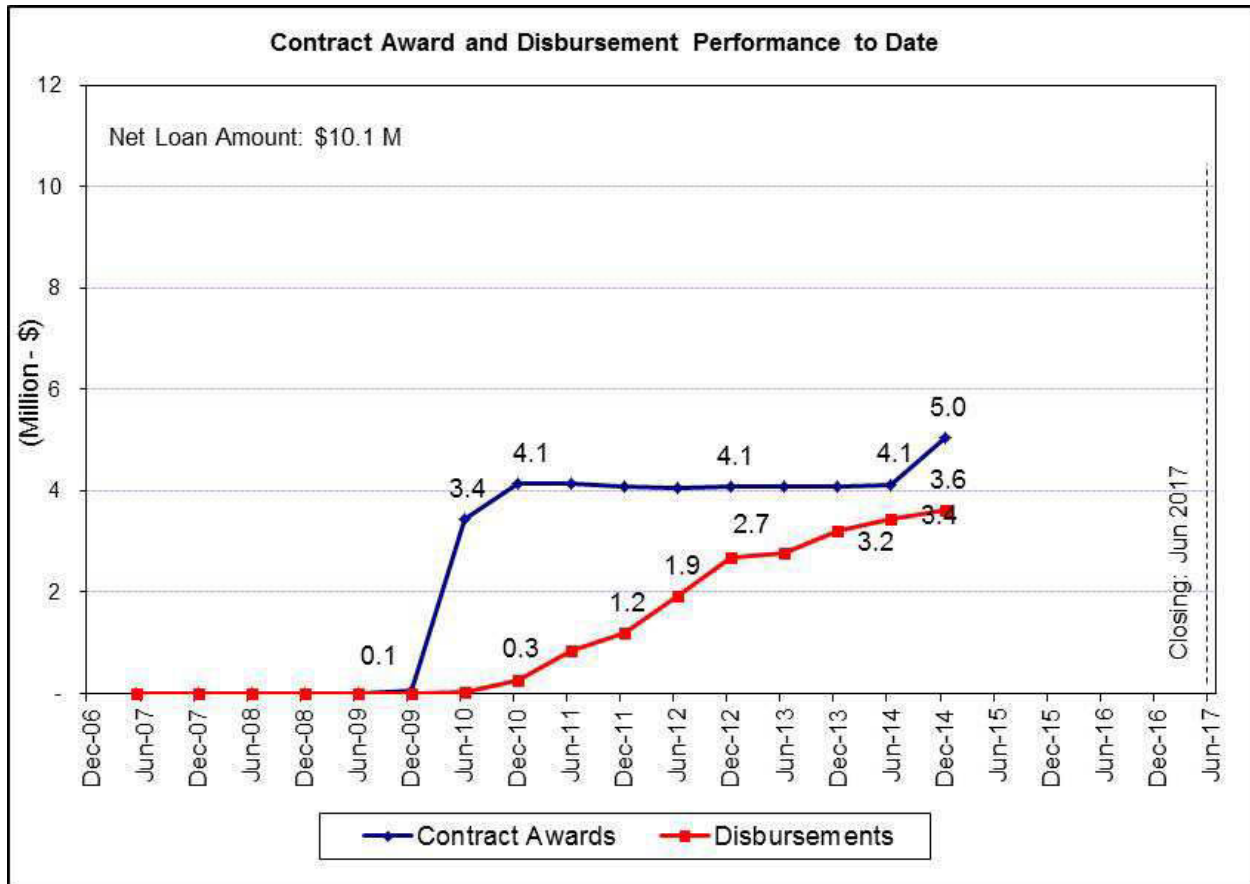
C- Project Description

1. This support component is an integral part of the proposed Investment Program that will strengthen NTDC's project (i) planning (ii) design (iii) implementation (iv) operations and, (v) monitoring capabilities. This will finance consultancy services for project management, safeguard monitoring, and feasibility studies.

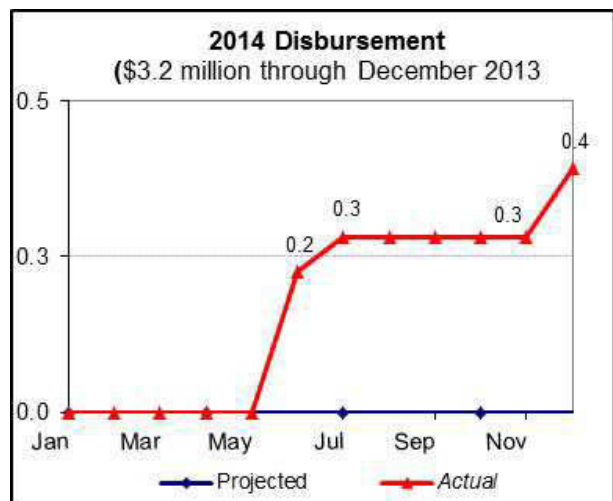
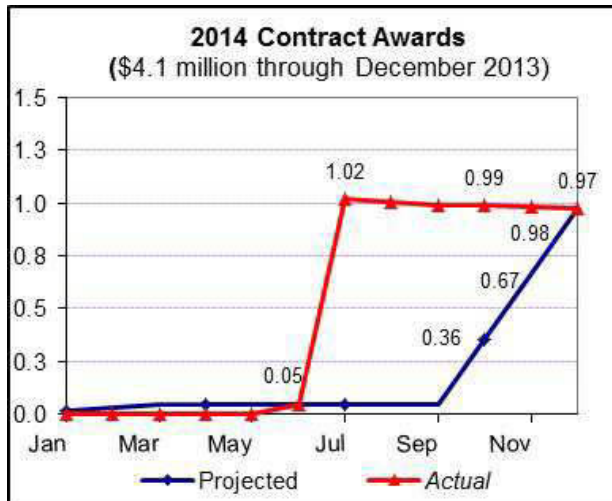
D- Project Monitoring Framework (Current Status)

| Outputs | Status with Key Activities |
|---|--|
| Recruitment of project implementation and preparation consultants | <p>5 Consultancy Services Awarded</p> <ul style="list-style-type: none"> (i) Consultants for Feasibility Study of HVDC T/Line (ii) Safeguard Monitoring Consultants (iii) Project Management Consultants (iv) Resettlement Expert (v) Environmental Expert <p>Contract for safeguard monitoring consultants was extended to cover the monitoring of Tranche 2 subprojects. Additional resettlement consultants being recruited for Tranche 3 subprojects.</p> |
| Recruitment of project preparatory consultants for Tranche IV | The contract was signed in July 2014 after some delays in the recruitment process. The consultant is currently assisting NTDC in procurement, particularly in drafting bidding documents. |

E- Contract Award and Disbursement Performance over Project Life



F- Contract Award and Disbursement Targets and Achievements in 2014



G- Status of Action Plan Agreed during CPR 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom | Update as of 31 Dec 2014 |
|---------|--|--|-----------------------|--------------|--|
| 1 | Additional Requirements for PFR for Tranche 4 | Consultants have been hired by NTDC to prepare PFR. It will be finalized during upcoming ADB mission | September 2014 | NTDC and ADB | Done. PFR received on 30 Sep 2014. |
| 2 | Proposal for utilizing the remaining loan amount awaited | NTDC has forwarded the request to MoW&P on 28 July 2014. ADB is yet to receive proposal from MoW&P | End of September 2014 | MoW&P | Partly done. NTDC requested consultants to develop the marketing strategy for leasing OGPW fibers in Aug 2014. Resettlement consultants are being recruited for Tranche 3. |

H. Action Plan to be discussed in upcoming QPR Q4, 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom |
|---------|--|--|-------------|-----------|
| 1 | Proposal for utilizing the remaining loan amount awaited | Submit cost estimates for consultants for OGPW leasing strategy, and draft TOR and cost estimates for project implementation consultants for Tranche 4 | 15 Feb 2014 | NTDC |
| 2 | AFS and APFS for FY 2014 delayed | Submit AFS and APFS. AFS should include auditor's opinions on NTDC's compliance with financial covenants and projected cash flows | Immediate | NTDC |
| 3 | Independent CPPA not yet established | Establish CPPA | Immediate | MoWP, EAD |

Loan 2396-PAK:MFF Power Transmission Enhancement Investment Program Tranche II

A - Loan Basic Data

\$ Million

| Approval Date | Signing Date | Effective Date | Closing Date | Closing Date (Revised) | Elapsed Time* | Project Rating as of 31 Dec 14 |
|-----------------|-----------------|----------------|--------------|------------------------|-----------------|--------------------------------|
| 17-Dec-07 | 20-May-08 | 17-Apr-09 | 31-Dec-13 | 31-Dec-14 | 100% | |
| Approved Amount | Net Loan Amount | Financing | EA/IA | Project Officer | Project Analyst | |
| 220 | 165.000 | OCR | NTDC | T. Luo | M. Favis | On Track |

*Based on the revised loan closing date (if any)

B- Loan Financial Progress

As of 31 December 2014

| Contract Award (Cumulative) | Un-contracted Loan Balance | Contract Award Performance % | Contract Award for 2014 | |
|-----------------------------|----------------------------|------------------------------|-------------------------|--------|
| | | | Projections | Actual |
| 161.335 | 3.665 | 98 | 7.803 | - |
| Disbursements (Cumulative) | Un-disbursed Loan Balance | Disbursement Performance % | Disbursements for 2014 | |
| | | | Projections | Actual |
| 149.104 | 15.896 | 90 | 37.137 | 16.241 |

C- Project Description

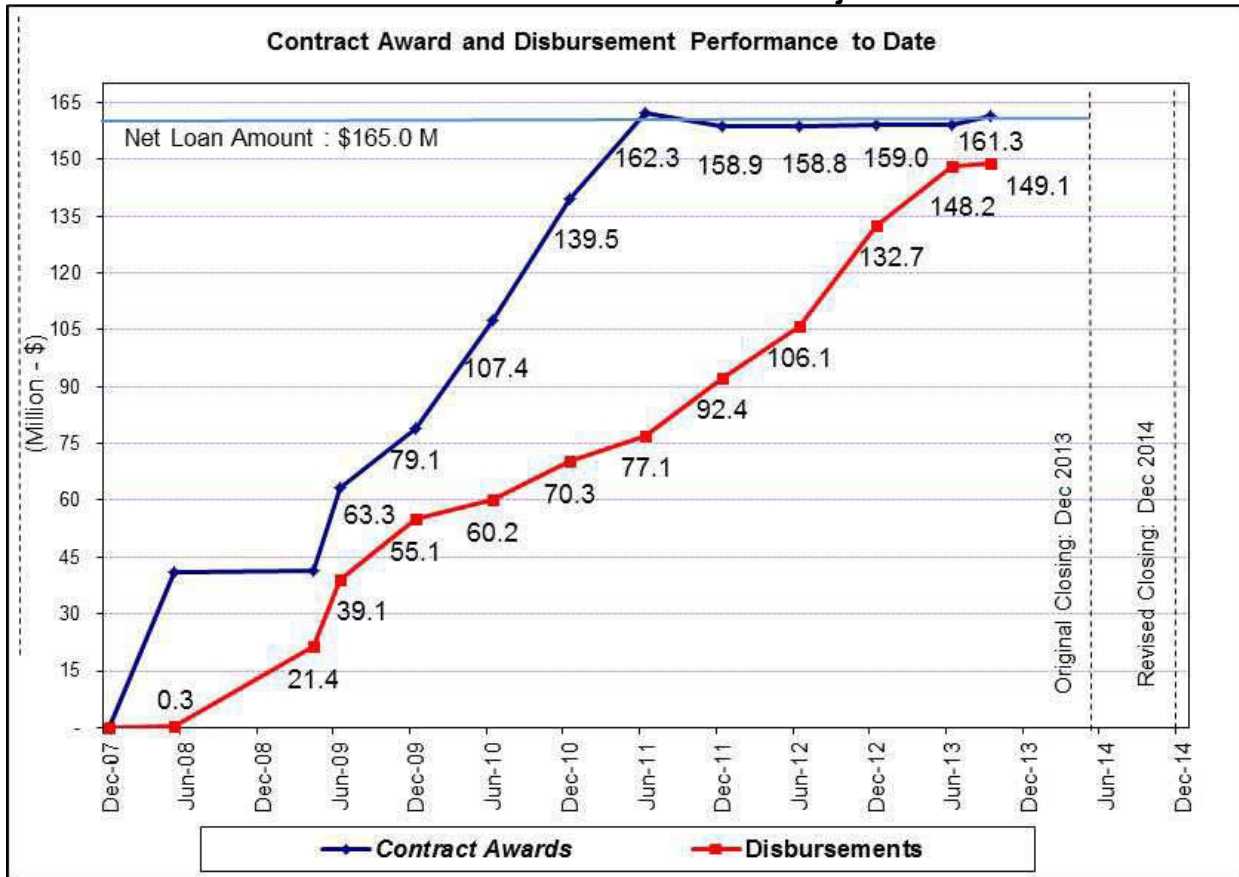
1. The project is the second tranche of an \$800 multi-tranche financing facility and aims to augment, rehabilitate and expand transmission system. Investments under the project will continue to address the immediate priorities of the primary transmission system improvement, dealing with the capacity shortfalls that currently result in regular system outages and supply interruptions to customers.

2. These investments are consistent with the Government's strategy to achieve the following outcomes: (i) a more efficient power system; (ii) high-quality power supply through a more reliable and stable system; (iii) greater geographic coverage of power supply; (iv) greater access to affordable electricity by bringing hydroelectric and coal-fired thermal energy to load centers. The project intends to reduce transmission losses from 3.48% in 2008 to 3.2% in 2016 and add at least 4800 MVA capacity to the transmission system by 2013. There are a total of ten (10) subprojects to be executed under Tranche-2.

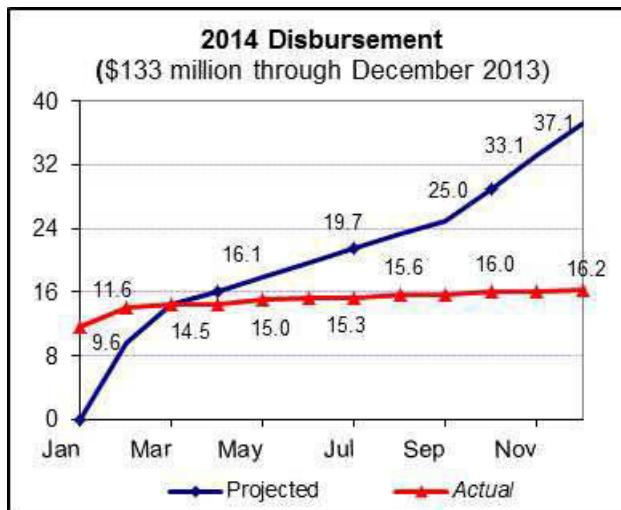
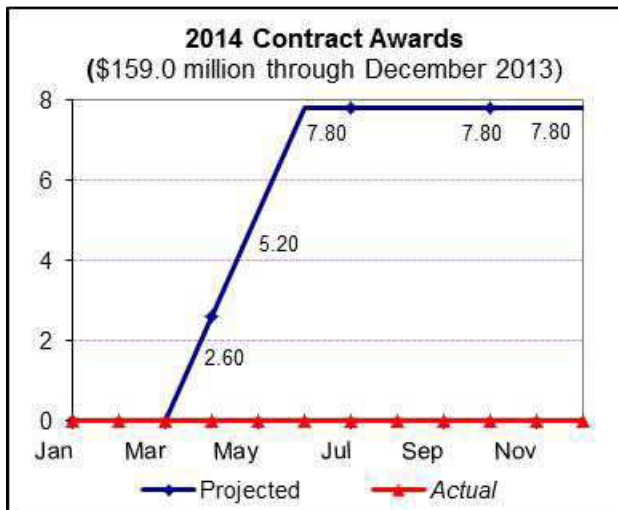
D- Project Monitoring Framework (Current Status)

| Outputs | Status with Key Activities |
|--|---|
| Augmentation and system stabilization, transmission lines, construction and rehabilitation of sub-stations | The Government reported that the Project is substantially completed. Nine of the ten subprojects have been energized. However, the subproject to install static var compensators (SVCs) at the Lahore 500 kV substation is pending. |

E- Contract Award and Disbursement Performance over Project Life



F- Contract Award and Disbursement Targets and Achievements in 2014



G- Status of Action Plan Agreed during CPR 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom | Update as of 31 Dec 2014 |
|---------|--------------------|--|-------------|---------|--|
| 1 | Project completion | Complete all remaining 3 sub-projects within the extended loan closing date otherwise, NTDC will finance and complete the remaining works from its own resources | 31 Dec 2014 | NTDC | Partly done. Subproject for SVCs at the Lahore 500 kV substation (ADB-14) is stalled by a legal dispute between the main contractor and subcontractor. Also, the installation of telecommunications equipment for the new 220 kV grid stations at T.T. Singh and Okara (ADB 49B) is still ongoing. |
| 2 | Disbursements | Accelerate the delivery of all equipment, and exert all efforts to utilize the remaining loan balance to maximum progress within the extended period | 31 Dec 2014 | NTDC | |

H. Action Plan to be discussed during QPPR Q4, 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom |
|---------|--|---|-------------|---------------|
| 1 | Proposed financing of outstanding activities by Tranche 3 (Loan 2846) by NTDC and MoWP | On 9 Jan 2015 EAD sought ADB's opinion for shifting outstanding loan balance to Tranche 3 to finance the remaining expenditures for Contracts ADB-14 and ADB-49B. ADB responded on 14 January, requesting EAD's formal request. | Immediate | EAD/MoWP/NTDC |
| 2 | Disbursements | Submit all outstanding withdrawal applications for expenditures incurred within loan closing (31 Dec 2014) | 30 April 15 | NTDC |
| 3 | Borrower's project completion report (PCR). | Borrowers PCR should be send within the 90 days of the loan closing. | 31 Mar 2015 | NTDC |
| 4 | AFS and APFS for FY 2014 delayed | Submit AFS and APFS. AFS should include auditor's opinions on NTDC's compliance with financial covenants and projected cash flows | Immediate | NTDC |
| 5 | Independent CPPA not yet established | Establish CPPA | Immediate | MoWP, EAD |

Loan 2846-PAK:MFF Power Transmission Enhancement Investment Program Tranche III

A - Loan Basic Data

\$ Million

| Approval Date | Signing Date | Effective Date | Closing Date | Closing Date (Revised) | Elapsed Time | Project Rating as of 31Dec 14 |
|-----------------|-----------------|----------------|--------------|------------------------|-----------------|-------------------------------|
| 22-Dec-11 | 18-Jan-12 | 21-Feb-12 | 30-Jun-16 | – | 67% | |
| Approved Amount | Net Loan Amount | Financing | EA/IA | Project Officer | Project Analyst | On Track |
| 243.2 | 243.240 | OCR | NTDC | J. Hwang | M. Favis | |

B- Loan Financial Progress

As of 31December 2014

| Contract Award (Cumulative) | Un-contracted Loan Balance | Contract Award Performance % | Contract Award for 2014 | |
|-----------------------------|----------------------------|------------------------------|-------------------------|---------|
| | | | Projections | Actual |
| 167.810 | 75.430 | 69 | 30.000 | 167.810 |
| Disbursements (Cumulative) | Un-disbursed Loan Balance | Disbursement Performance % | Disbursements for 2014 | |
| | | | Projections | Actual |
| 13.981 | 229.259 | 6 | 0.484 | 13.435 |

C- Project Description

1. The project is the third tranche of an \$800 multi-tranche financing facility and aims to augment, rehabilitate and expand transmission system. The Tranche 3 subprojects are part of Pakistan's integrated power transmission system development plan. The investments will enhance the efficiency of the overall power transmission system and provide an adequate and reliable power supply to a greater number of industrial, commercial and residential consumers.

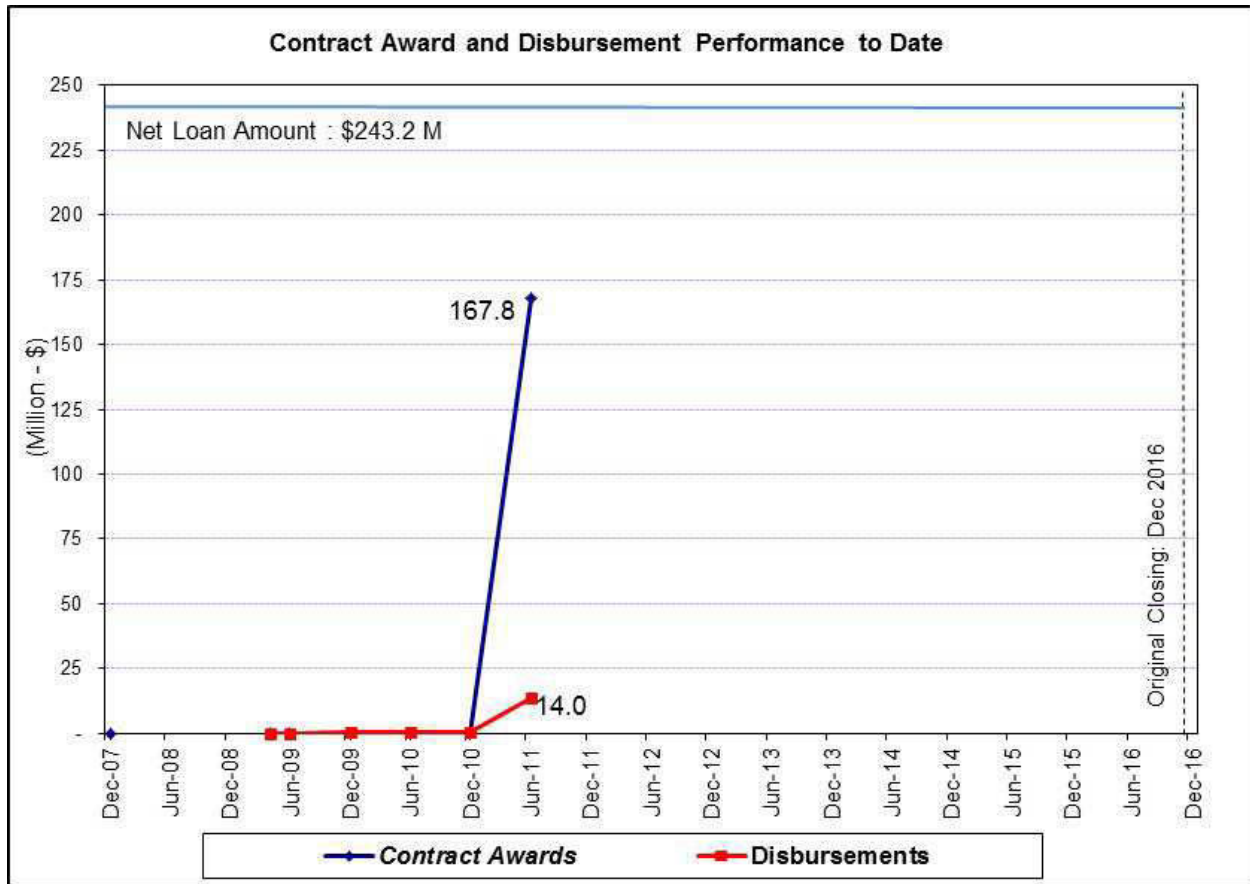
2. The Tranche 3 subprojects will improve power transmission infrastructure through development of additional 500 kV transmission lines and grid substations facilities, and relieve the power system bottlenecks. The project will a) evacuate power from new thermal generation plants to the grid and supply to the consumers, b) result in an increase in interregional transmission capacity of 800 - 1,000 MW and of 15.8 GWh of additional power annually supplied through the grid, c) result in removal of transmission bottlenecks and d) reduction of load shedding caused by forced transmission outages to less than 10%.

D- Project Monitoring Framework (Current Status)

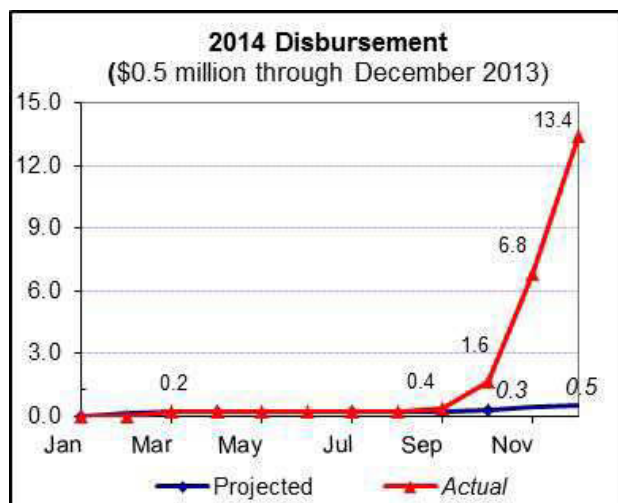
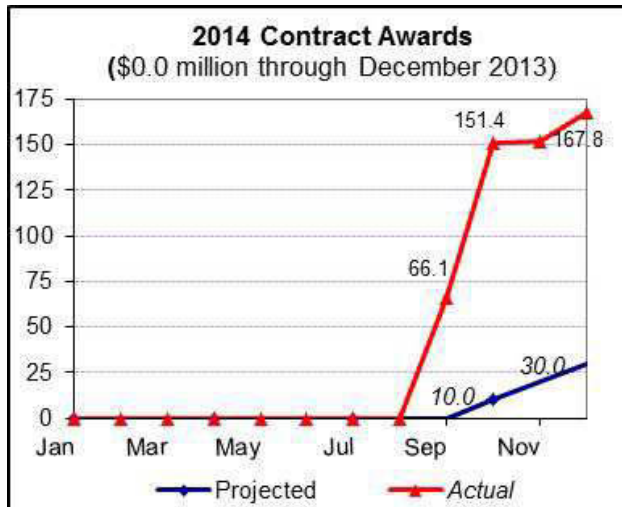
| Outputs | Status with Key Activities |
|---|--|
| Enhancing power transmission capacity through system expansion and augmentation, and electricity from new power stations evacuated to the load centers. | <p>ADB-65-2012 (PACKAGE-1): Procurement of Plant: Design, Supply, Installation, Testing & Commissioning of 500kv Transmission Line 3rd Circuit Jamshoro-Moro-Dadu to Rahim Yar Khan</p> <p>ADB-65-2012 (PACKAGE 2): Procurement of Plant: Design, Supply, Installation, Testing and commissioning of 500 KV Switching Station at Moro and Extension Works at Existing 500 KV Substations at Jamshoro, Dadu& Rahim Yar Khan</p> |

| Outputs | Status with Key Activities |
|---------|---|
| | <p>Rebidding commenced in August 2013. The deadlines for bid submission extended 3 times. BERs received in February 2014. ADB responded on 3 and 18 June 2014, respectively for Packages 1 and 2. Contracts signed for Package 1 (3 lots) in August and September 2014, and Package 2 in October. Contract effectiveness are awaited. Having a construction period of 850 days, the subproject is expected to be completed beyond the loan closing date of 30 June 2016.</p> <p>Tender No. ADB-66: Procurement of 220 KV Auto-Transformers and Grid Station Equipment/Material</p> <p>Tendering commenced in August 2013. The bid submission deadline extended four times – last up to January 2014. BERs for 4 of the 5 lots received in June 2014, and revised in October with recommendation to rebid. CWEN issued no objection to rebid was approved in end October, with request to submit draft bidding documents by December. CA expected in Q3 2015. Having a delivery period of 270 days, the subproject is expected to be completed beyond the loan closing date of 30 June 2016. One of the 5 lots (Lot IV) was deleted due to court dispute.</p> <p>Tender No. ADB-67: ADB-67-2012 - Design, Manufacture, Supply, Erection, Testing & Commissioning of 220kV AIS Substation Mansehra</p> <p>Rebidding commenced in April 2014. Deadline for bids extended from June to July 2014. BER received in October 2014, with clarifications in December. CA expected in Q2 2015. Having a construction period of 540 days, the subproject is expected to be completed beyond loan closing.</p> <p>Tender No. ADB-68. Procurement of Plant: Design, Supply and Installation, Testing and Commissioning of 220kv D/C, T/B Uch-Sibbi Transmission Line</p> <p>Rebidding started in 30 September 2013. The deadline for bids extended from 18 November to 10 December 2013. BER received in January 2014. ADB rejected recommended bidder under ICB, but approved, on exceptional basis, to award the contract to the same contractor via direct contracting. Contract signed in August 2014, awaiting contract effectiveness. Having a construction period of 540 days, the subproject is expected to be completed beyond loan closing.</p> |

E- Contract Award and Disbursement Performance over Project Life



F- Contract Award and Disbursement Targets and Achievements in 2014



G- Status of Action Plan Agreed during Review Mission of 9-19 September 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom | Update as of 31 Dec 2014 |
|----------------|-----------------------------------|---|-----------------|----------------|--|
| 1 | Appointment of Staff | Fill in the vacant positions of two Deputy Managers | 31 Dec 14 | NTDC | Not done |
| 2 | Procurement for ADB-66 and ADB-67 | Submission of improved Bid Evaluation Report | 30 Sep 14 | NTDC | Done |
| | | Include civil engineers in BEC for ADB-67 | 30 Sep 14 | | Not Done |
| | | Submit withdrawal applications for advance payments | 30 Oct 14 | | Not done. ADB-66 is for rebid. ADB-67 CA expected in 2015. |
| | | Open Letters of Credit | 30 Oct 14 | | |
| 3 | Contract Effectiveness | Declare contract effectiveness for ADB-65, Packages 1 and 2, and ADB-68 | Oct 2014 | NTDC | Not done |
| 4 | Compliance with Loan Covenants | Submit AFS for FY 2014 including auditor's opinions on NTDC's compliance with financial covenants and projected cash flows. | 31 Dec 14 | NTDC | Not done |
| | | Submit request to defer submission of first APFS to ADB, through EAD | 31 Oct 14 | NTDC | Request received from NTDC |
| | | Update data for PPMS | Immediate | NTDC | Not done |
| | | Submit semi-annual safeguards monitoring reports from Q4 onward. | Jan 15 onward | NTDC | Not done |
| | | Submit project progress report for Q3 to ADB | 31 Oct 14 | NTDC | Done |

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom | Update as of 31 Dec 2014 |
|----------------|---|--|-----------------|----------------|--|
| 5 | Satisfy LARP requirements for ADB065 Packages 1 and 2 | Submit proposed recruitment package for safeguards consultants under Tranche 1 (L2290) | 19 Sep 14 | NTDC | Done |
| | | Approve recruitment package | 30 Sep 14 | ADB | Done |
| | | Mobilize safeguard consultants | 31 Oct 14 | NTDC | Not known. ADB gave no objection to Submission 1 on 8 January 2015 |
| | | Submit finalize LARPs to ADB | Dec 2014 | NTDC | Not done |
| | | Include status of LARP implementation in quarterly reports for Q4 2014 onward | Jan 2015 onward | Consultants | Progress report for Q4 2014 not yet received |
| 6 | Organizational restructuring | Establish CPPA independency from NTDC | 31 Dec 14 | MoWP, EAD | Not done |

H. Action Plan to be discussed during QPR Q4, 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom |
|----------------|--|---|-----------------|----------------|
| 1 | Appointment of Staff | Fill in the vacant positions of two Deputy Managers | TBD | NTDC |
| 1 | Procurement for ADB-66 delayed | Submit draft bidding documents | Immediate | NTDC |
| 2 | Procurement for ADB-67 delayed | Approve BER | Immediate | ADB |
| 3 | Contract effectiveness for ADB-65 Packages 1 and 2, and ADB-68 delayed | Declare contract effectiveness | Immediate | NTDC |
| 4 | AFS for FY 2014 delayed | Submit AFS, including auditor's opinions on NTDC's compliance with financial covenants and projected cash flows | Immediate | NTDC |
| 5 | Proposed extension of first financial reporting | Provide amount of NTDC's counterpart funding as of | 31 Jan 2015 | NTDC |

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom |
|----------------|--------------------------------|--|-----------------|----------------|
| | period for APFS | June 2014, for ADB to further consider extension request | | |
| 6 | Compliance with Loan covenants | Update data for PPMS | Immediate | NTDC |
| | | Submit semi-annual safeguards monitoring reports from Q4 onward. | Jan 15 onward | NTDC |
| | | Submit finalize LARPs to ADB | TBD | NTDC |
| 7 | Organizational restructuring | Establish CPPA independency from NTDC | TBD | MoWP, EAD |

Loan 2439-PAK(SF):MFF Power Distribution Enhancement Investment Program

A - Loan Basic Data

\$ Million

| Approval Date | Signing Date | Effective Date | Closing Date | Closing Date (Revised) | Elapsed Time | Project Rating as of 31Dec 14 |
|-----------------|-----------------|----------------|--------------|------------------------|-----------------|-------------------------------|
| 12-Sep-08 | 29-Nov-08 | 13-Jan-09 | 31-Dec-18 | – | 61% | |
| Approved Amount | Net Loan Amount | Financing | EA/IA | Project Officer | Project Analyst | |
| 10 | 9.027 | ADF | PEPCO | A. Tareen | L. Ali | On Track |

B- Loan Financial Progress

As of 31December 2014

| Contract Award (Cumulative) | Un-contracted Loan Balance | Contract Award Performance % | Contract Award for 2014 | |
|-----------------------------|----------------------------|------------------------------|-------------------------|--------|
| | | | Projections | Actual |
| 8.362 | 0.665 | 93 | – | – |
| Disbursements (Cumulative) | Un-disbursed Loan Balance | Disbursement Performance % | Disbursements for 2014 | |
| | | | Projections | Actual |
| 3.510 | 5.517 | 39 | 0.600 | 1.640 |

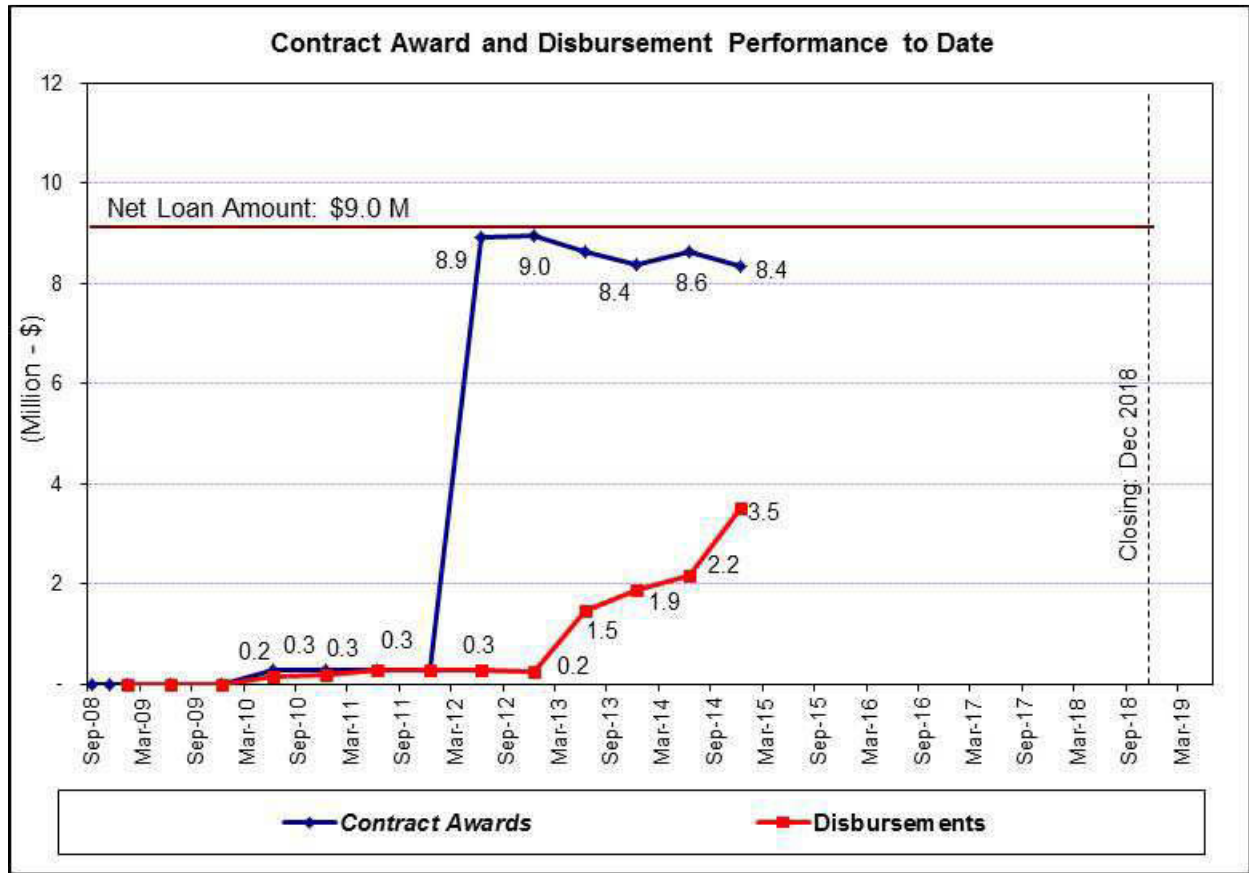
C- Project Description

1. This loan, also part of the MFF, finances a support component to help distribution companies (DISCOs) prepare, implement, and monitor the subprojects under the Investment Program. It will cover (i) power distribution subproject implementation, including general business management, portfolio review, project management, and program management; (ii) technical operation and maintenance; (iii) accounting, financial, and economic management, and financial reporting; (iv) contracting, procurement, and inventory management, (v) management information system and economics of cost recovery and tariff setting; (vi) project development, including policy development, feasibility studies, site identification, and project design; and (vii) utility management in a regulated environment.

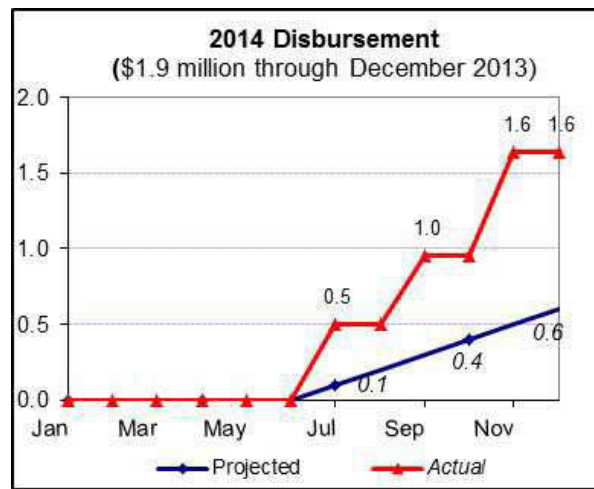
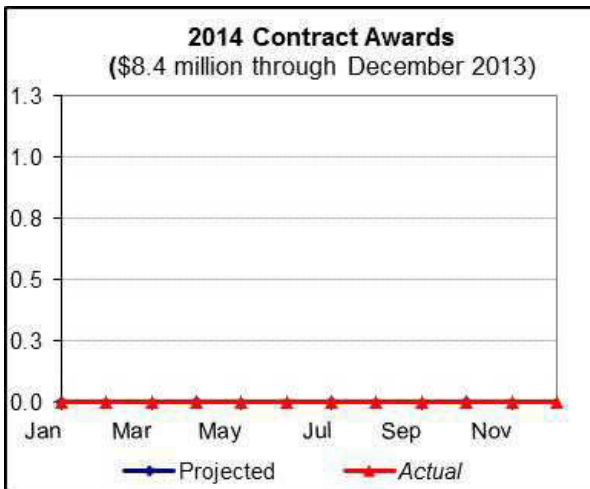
D- Project Monitoring Framework (Current Status)

| Outputs | Status with Key Activities |
|---|---|
| <ul style="list-style-type: none"> ▪ Project implementation, ▪ Technical operation and maintenance, ▪ Accounting, financial, and economic management, and financial reporting, ▪ Contracting, procurement, and inventory management, ▪ Management information system and economics of cost recovery and tariff setting ▪ Project development, including policy development, feasibility studies, site identification, and project design; and ▪ Utility management in a regulated environment. | <p>The Facility Management consultant to prepare, implement and monitor (including social safeguards) all tranches under the MFF has been hired. The contract with the Firm was signed on 11 June 2012 and firm mobilized on 27 June 2012. The activities under the contract are ongoing.</p> |

E- Contract Award and Disbursement Performance over Project Life



F- Contract Award and Disbursement Targets and Achievements in 2014



G- Status of Action Plan Agreed during CPR 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom | Update as of 31 Dec 2014 |
|---------|--|---|-----------|---------|---|
| 1 | <p>Payments to Consultants (M/s SMEC, Australia). PEPCO is holding invoices of consultants for the period October 2013 onwards.</p> <p>Issue is how to apply the GST imposed by Punjab Government on all consultancy contracts. Consultant has already issued termination notice on breach of the payment clause by PEPCO. ADB has raised this issue with MD PEPCO to address in accordance with terms and conditions of the contract.</p> | <p>The matter needs to be resolved on top priority in the light of the contract's terms and conditions. SMEC has received some payments in July, however the issue is still unresolved between PEPCO & SMEC</p> | Immediate | PEPCO | Issue resolved and payments made on 26 Nov. 2014. |

H. Action Plan to be discussed during QPR, Q4 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom |
|---------|---|-----------------------|-----------|---------|
| 1 | AFS for FY 2012, 2013 and 2014 and APFS for FY 2014 delayed | Submit AFSs and APFS. | Immediate | PEPCO |

Loan 2727-PAK:MFF Power Distribution Enhancement Investment Program Tranche II

A - Loan Basic Data

\$ Million

| Approval Date | Signing Date | Effective Date | Closing Date | Closing Date (Revised) | Elapsed Time | Project Rating as of 31Dec 14 |
|-----------------|-----------------|----------------|--------------|------------------------|-----------------|-------------------------------|
| 14-Dec-10 | 28-Jan-11 | 5-Oct-11 | 30-Sep-15 | – | 84% | |
| Approved Amount | Net Loan Amount | Financing | EA/IA | Project Officer | Project Analyst | On Track |
| 242.0 | 172.300 | OCR | PEPCO/DISCOs | A. Tareen | L. Ali | |

B- Loan Financial Progress

As of 31December 2014

| Contract Award (Cumulative) | Un-contracted Loan Balance | Contract Award Performance % | Contract Award for 2014 | |
|-----------------------------|----------------------------|------------------------------|-------------------------|--------|
| | | | Projections | Actual |
| 131.767 | 40.533 | 76 | 26.025 | 9.234 |
| Disbursements (Cumulative) | Un-disbursed Loan Balance | Disbursement Performance % | Disbursements for 2014 | |
| | | | Projections | Actual |
| 99.999 | 72.301 | 58 | 51.186 | 24.507 |

C- Project Description

1. The Project is the second tranche of an \$810 multi-tranche financing facility. The Investment Program will rehabilitate, augment and expand power distribution systems and remove system bottlenecks in the Project area. The immediate priority for investment in the distribution systems is to address the capacity shortfalls that currently result in regular system outages and supply interruptions to customers.

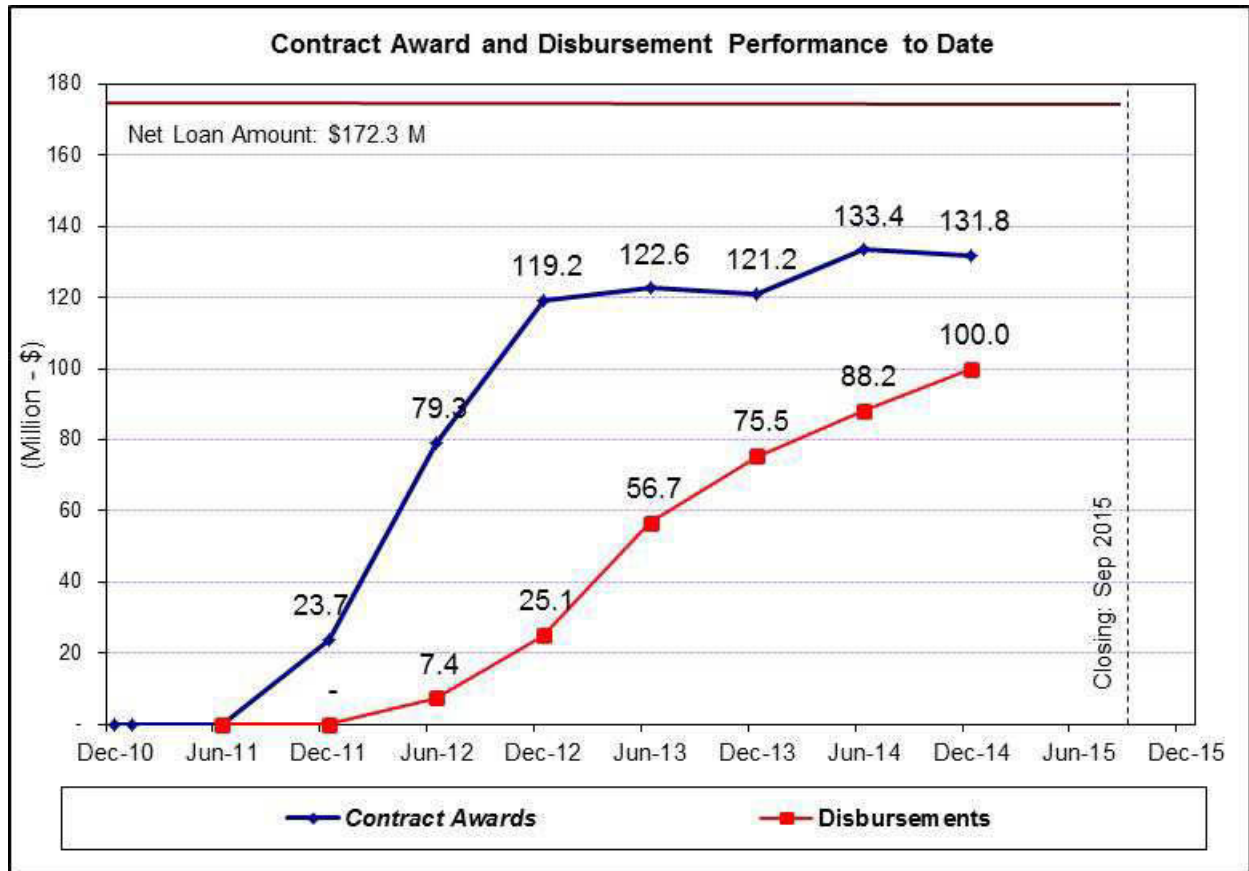
2. The Project comprises physical investments in subprojects covering STG expansion, augmentation, extension, conversion and rehabilitation; STG transmission lines; and energy loss reduction through installation of capacitors. The Project will add 3,380 megavolt-amperes (MVA) of transformer capacity, and improve security of supply to customers by moving toward compliance with regulatory security standards governing planning and operation of the distribution system, and reliability improvements on the lower voltages. The Project will also reduce energy losses (T&D Losses) from 20.6% (percentage of gross generation) in 2009 to 20.1% in 2015.

3. Due to delays in submission of the required Loan effectiveness condition documents, the effectiveness was extended twice from 27 Mar. 2011 to 30 Jun. 2011 and then to 30 Sep. 2011.

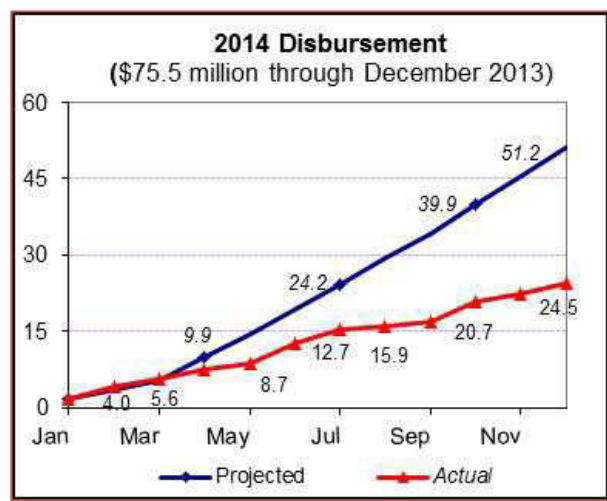
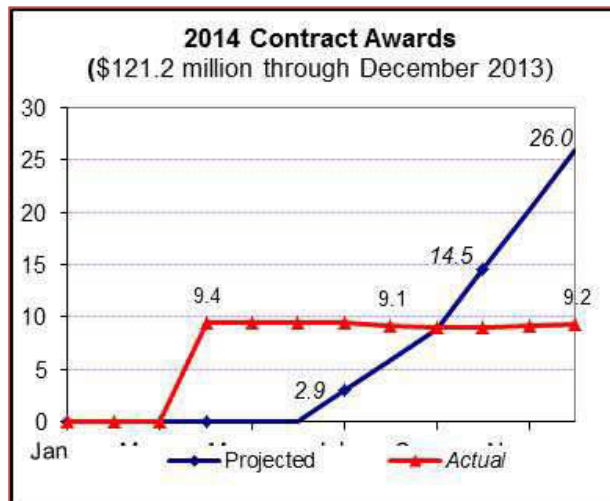
D- Project Monitoring Framework (Current Status)

| Outputs | Status with Key Activities |
|---|--|
| Construction of 131 subprojects including expansion, conversion, augmentation and extension of STG network. | Total Contracts = \$ 218 million (131 sub-projects) |
| 387 km of new distribution lines | Net Loan Amount available for contracting after cancellation = \$157.2 million Contract Awarded = \$131.8 million |

E- Contract Award and Disbursement Performance over Project Life



F- Contract Award and Disbursement Targets and Achievements in 2014



G- Status of Action Plan Agreed during CPR 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom | Update as of 31 Dec 2014 |
|---------|--|--|----------------|----------------|---|
| 1 | Submit revised bid evaluation report in the light of ADB's comments sent on 22 June 2014. | Package 1, lot 1 (Rebid) Bid opened on 13 Feb 2014. BER was submitted however ADB seeks further clarifications from LESCO | 31 August 2014 | LESCO | Revised BER submitted and approved by ADB on 17 Dec. 2014. |
| 2 | Contract (Package 1, Lots 1 and 4) not signed due to stray in the court. | MoW&P, EAD and MoF shall take the lead in the light of issues impeding the award of contract | Immediately | FESCO MoW&P | Court stay not yet vacated. |
| 3 | Appointment of Staff | Appoint Assistant Manager (Social) | 20 August 2014 | FESCO | Appointed on 1 Jan. 2015. |
| 4 | Enormous delays in implementation of sub-projects (construction of 2 new grid stations) in LESCO due to delays in approval of design works | LESCO to urgently decide on site selection for grid station and have the design approval issue resolved by mid-July. | 30 August 2014 | LESCO | Issues not yet resolved. LESCO need to expedite the approval of design works. |

H. Action Plan to be discussed during QPR, Q4 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom |
|---------|--|--|-------------|-------------------------|
| 1 | Contract (Package 1, Lots 1 and 4) not signed due to stay in the court | MoW&P, EAD and MoF shall take the lead in the light of issues impeding the award of contract | Immediately | FESCO, MoW&P, EAD |
| 2 | AFSs and APFS for FY 2014 delayed | Submit AFSs and APFSs including auditor's opinions on DISCO's compliance with financial covenants and projected cash flows | Immediate | All DISCOs |
| 3 | Enormous delays in implementation of sub-projects (construction of 2 new grid stations) in LESCO due to delays in approval of design works | LESCO to urgently decide on site selection for grid station and have the design approval issue resolved | Immediate | LESCO |

Loan 2972-PAK: MFF Power Distribution Enhancement Investment Program Tranche III

A - Loan Basic Data

\$ Million

| Approval Date | Signing Date | Effective Date | Closing Date | Closing Date (Revised) | Elapsed Time | Project Rating as of 31Dec 14 |
|-----------------|-----------------|----------------|--------------|------------------------|-----------------|-------------------------------|
| 14-Dec-12 | 9-Sep-13 | 10 Dec-2013 | 31-Dec-16 | – | 51% | |
| Approved Amount | Net Loan Amount | Financing | EA/IA | Project Officer | Project Analyst | Actual Problem |
| 245 | 245 | OCR | PEPCO/DISCOs | A. Tareen | L. Ali | |

B- Loan Financial Progress

As of 30 June 2014

| Contract Award (Cumulative) | Un-contracted Loan Balance | Contract Award Performance % | Contract Award for 2014 | |
|-----------------------------|----------------------------|------------------------------|-------------------------|---------|
| | | | Projections | Actual |
| 114.514 | 130.486 | 47 | 73.800 | 114.514 |
| Disbursements (Cumulative) | Un-disbursed Loan Balance | Disbursement Performance % | Disbursements for 2014 | |
| | | | Projections | Actual |
| 11.122 | 233.878 | 5 | 15.000 | 11.122 |

C- Project Description

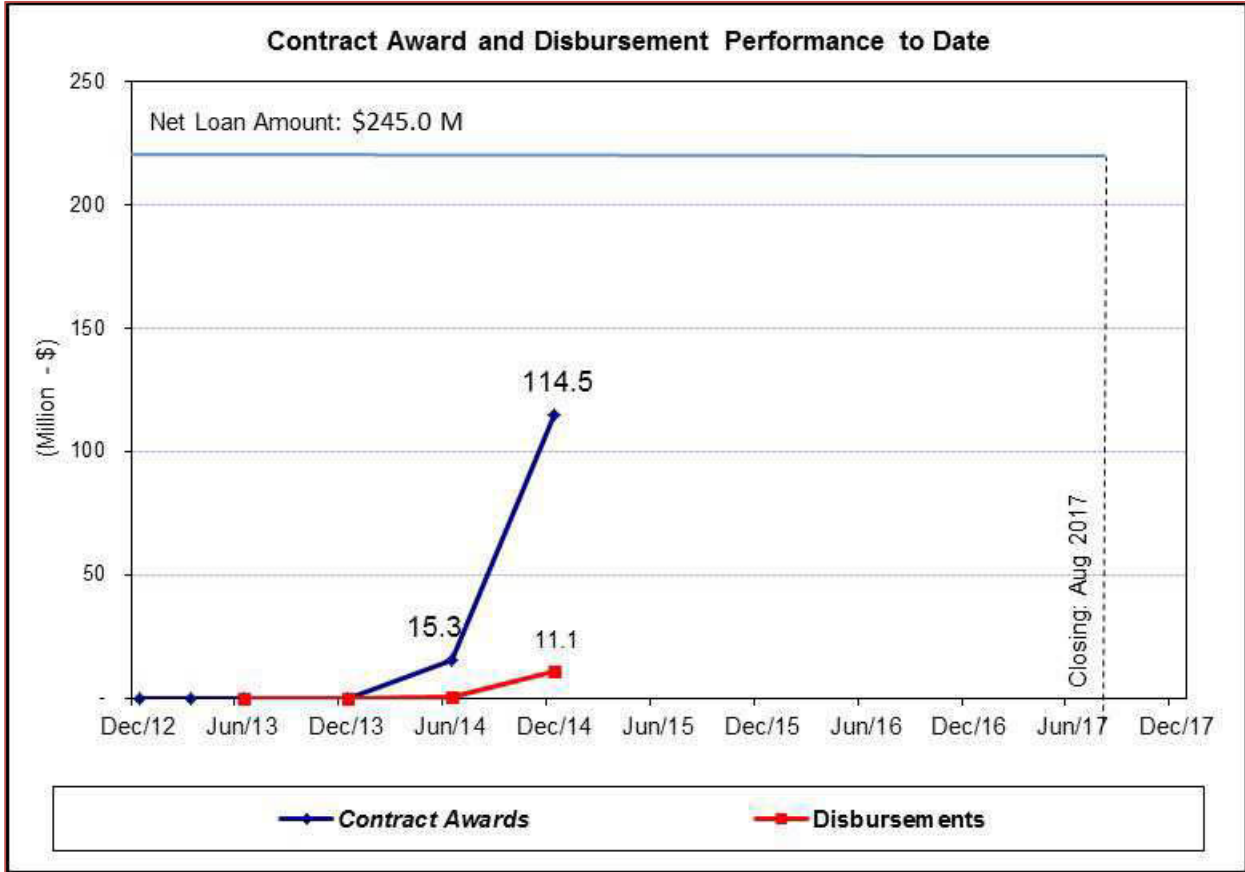
1. The Project is the third tranche of an \$810 multi-tranche financing facility. The Investment Program will rehabilitate, augment and expand power distribution systems and remove system bottlenecks in the Project area. The immediate priority for investment in the distribution systems is to address the capacity shortfalls that currently result in regular system outages and supply interruptions to customers.

2. The project under third tranche will result in supplying reliable and quality power and, expansion of service coverage. By 2018, electricity sales will increase by 6,000 GWh annually, village electrification will increase to 79% (from 71.8% in 2009) and electricity outages reduce by 10%. This will be achieved through installation of addition 1,881 MVA of distribution capacity by 2016, reduction in transmission and distribution system losses from 20.5% in 2012 to 19.5% in 2016 and saving of 274 GWh of energy per year starting from 2017.

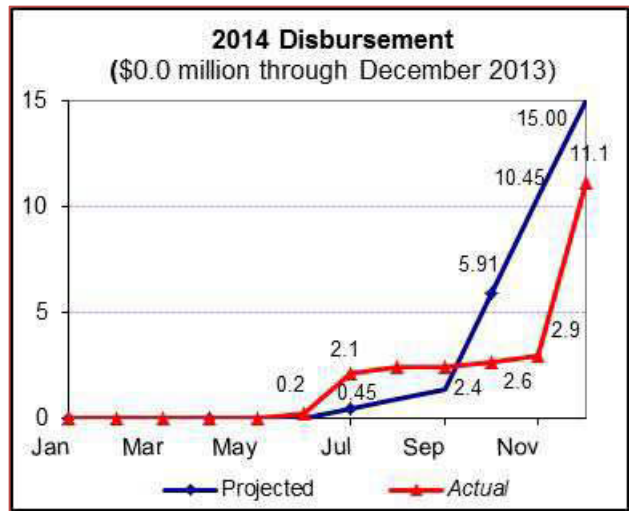
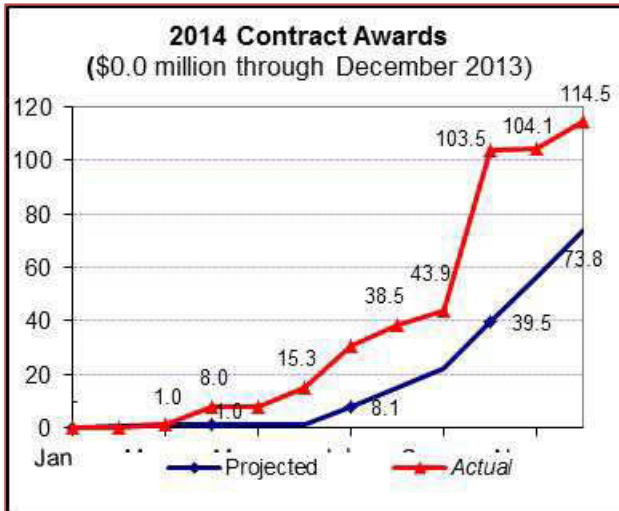
D- Project Monitoring Framework (Current Status)

| Outputs | Status with Key Activities |
|---|--|
| <p>Construction of 106 subprojects including rehabilitation, conversion, augmentation, and extension of STG network completed by 2016</p> <p>1,190.5 km of new distribution lines added to the system by 2016.</p> <p>14 new grid stations added to the system by 2016.</p> | <p>Out of total 106 subprojects, contracts for 50 subprojects have been awarded.</p> |

E- Contract Award and Disbursement Performance over Project Life



F- Contract Award and Disbursement Targets and Achievements in 2014



G- Status of Action Plan Agreed during CPR 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom | Update as of 31 Dec 2014 |
|---------|---|--|----------------|---------------------------------|---|
| 1. | BERs Pending for a long period | Package 10 & 11 Resubmit Package 2, Lot 1, after approval of IESCO BOD as per comments sent on 5 June 2014. Package 1, Lot 1, after approval of IESCO BOD as per comments sent on 13 May 2014. | 30 Aug 2014 | LESCO IESCO IESCO | On 25 Sep. 2014 rebidding approved for package 10 and BER for Package 11 approved 13 Nov. 2014. BER submitted on 18 Dec. 2014 and is under review by ADB. BER submitted on 18 Dec. 2014 and is under review by ADB. |
| 2. | Submission clarifications on bid evaluation reports | Package 12, Lot 1, comments sent to LESCO on 30 April 2014. Partial response was received by ADB. Complete response will be provided | 20 August 2014 | LESCO | Clarification received and BER approved on 17 Dec. 2014. |
| 3 | Land availability | Land for Sangjani is finalized whereas negotiations are in process for Bara Kahu Grid Stations which will be finalized | 15 Sep 2014 | IESCO | Not resolved yet. |

H. Action Plan to be discussed during QPR, Q4 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom |
|---------|-------------------------|---|-----------|-----------------|
| 1 | Clarifications on BERs | Package 1, comments sent on 13 August 2014. Partial response was received by ADB. Complete response to be provided. | 31 Jan 15 | FESCO |
| 2 | Submission of contracts | Signed contract documents for Package 11, (BER approved on 13 Nov 2014), Package 3, (BER approved on 14 Aug 2014), and Package 4, (BER approved on 19 Aug 2014) should be sent to ADB | 31 Jan 15 | LESCO and FESCO |
| 3 | Declare contracts | Packages 1 and 2, open letters of credit and declare contracts effective | 31 Jan 15 | QESCO |

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom |
|---------|-----------------------------------|--|--|--|
| | effective | Package 3, contract signed on 26 May 2014 but not yet declared effective Package 1, contract signed on 11 March 2014 but not yet declared effective Package 2, contract signed on 7 November but not yet declared effective Package 1, Lot 2, contract signed on 19 March 2014 but not yet declared effective | 31 Jan 15 31 Jan 15 31 Jan 15 31 Jan 15 | MEPCO GEPCO HESCO IESCO |
| 4 | AFSs and APFS for FY 2014 delayed | Submit AFSs and APFSs including auditor's opinions on DISCO's compliance with financial covenants and projected cash flows | Immediate | All DISCOs |
| 3 | Land availability | Land for Sangjani is finalized whereas negotiations are in process for Bara Kahu Grid Stations which will be finalized | TBD | IESCO |

Loan 3096-PAK: MFF Power Distribution Enhancement Investment Program-Tranche IV

A- Loan Basic Data

\$ Million

| Approval Date | Signing Date | Effective Date | Closing Date | Closing Date (Revised) | Elapsed Time | Project Rating as of 31Dec 14 |
|-----------------|-----------------|----------------|------------------|------------------------|-----------------|-------------------------------|
| 13 Dec 2013 | 30 Apr 2014 | 18 Jul 2014 | 30 Jun 17 | – | 30% | |
| Approved Amount | Net Loan Amount | Financing | EA/IA | Project Officer | Project Analyst | |
| 167.2 | 167.2 | OCR | PEPCO/ DISCOs | A. Tareen | L. Ali | Not Rated |

B- Loan Financial Progress

As of 31December 2014

| Contract Award (Cumulative) | Un-contracted Loan Balance | Contract Award Performance % | Disbursements for 2014 | |
|-----------------------------|----------------------------|------------------------------|------------------------|--------|
| | | | Projections | Actual |
| 0.853 | 166.347 | 1 | – | 0.853 |
| Disbursements (Cumulative) | Un-disbursed Loan Balance | Disbursement Performance % | Disbursements for 2014 | |
| | | | Projections | Actual |
| 0.106 | 167.094 | 0.1 | – | 0.106 |

C- Project Description

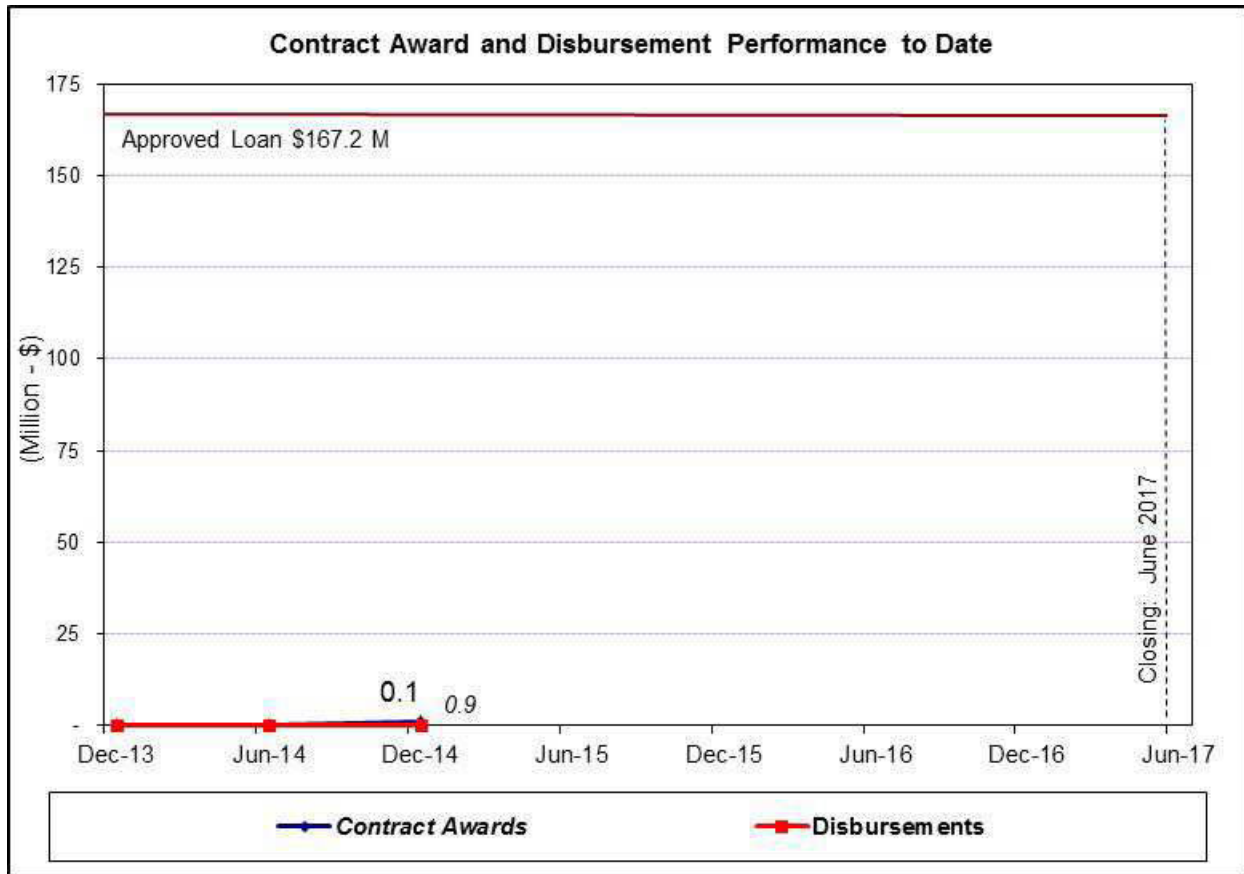
1. The project comprises physical investments in subprojects covering (i) secondary transmission grid (STG): augmentation and extension of 132-kV power transformers at existing substations; (ii) energy loss reduction and distribution of power: replacement of overloaded distribution transformers with higher capacity and adding additional distribution transformer capacity on the 11-kV feeders; and (iii) strategic spares: spare power transformers for emergencies. The project will add 5,021 megavolt-amperes (MVA) of transformer capacity and will improve the distribution system's efficiency and delivery.

2. The outcome will be the increased capacity of the power distribution systems.

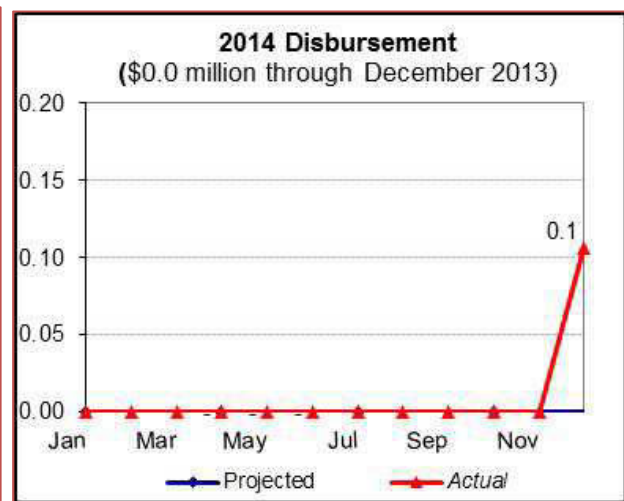
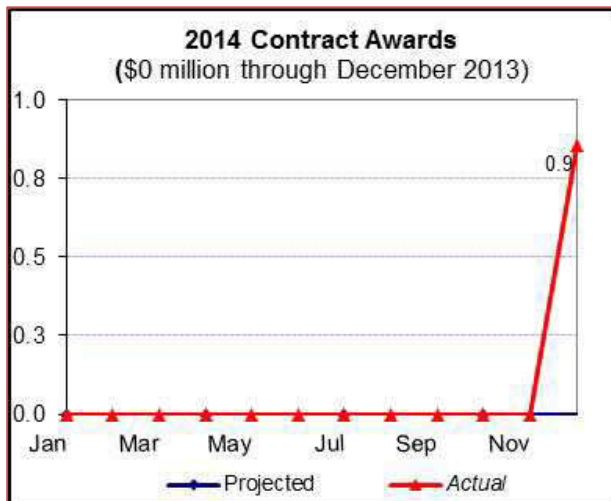
D- Project Monitoring Framework (Current Status)

| Outputs | Performance Indicators | Status with Key Activities |
|------------------------------|--|---|
| 1. Subprojects commissioned. | Augmentation at 145 substations of STG network completed by 2016 | Procurement activities are at various stages for different contract packages. |
| | Extension at 109 substations of STG network completed by 2016 | Procurement activities are at various stages for different contract packages. |

E- Contract Award and Disbursement Performance over Project Life



F- Contract Award and Disbursement Targets and Achievements in 2014



G- Action Plan to be discussed during QPR, Q4 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom |
|----------------|-----------------------------|---|-----------------|----------------|
| 1 | Delay in Submission of BERs | Submission of following BERs to ADB without further delay: Lots 1,3,4 and 6 <i>(Bid submission deadline was 20 Aug 2014).</i> | 31 Jan 2015 | FESCO |
| | | Lot 1 <i>(Bid submission deadline was 18 July 2014).</i> | 31 Jan 2015 | HESCO |
| | | Lot 1 <i>(Bid submission deadline was 10 June 2014).</i> | 31 Jan 2015 | QESCO |

Loan 2552-PAK: MFF Energy Efficiency Investment Program

A - Loan Basic Data

\$ Million

| Approval Date | Signing Date | Effective Date | Closing Date | Closing Date (Revised) | Elapsed Time* | Project Rating as of 31Dec 14 |
|-----------------|-----------------|----------------|-----------------------------|------------------------|-----------------|-------------------------------|
| 22-Sep-09 | 29-Apr-10 | 30-Aug-10 | 31-Jul-12 | 30-Jun-14 | 111% | |
| Approved Amount | Net Loan Amount | Financing | EA/IA | Project Officer | Project Analyst | On Track |
| 40.0 | 30.0 | OCR | Ministry of Water and Power | J. Hwang | M. Favis | |

*Based on revised loan closing date.

B- Loan Financial Progress

As of 31December 2014

| Contract Award (Cumulative) | Un-contracted Loan Balance | Contract Award Performance % | Contract Award for 2014 | |
|-----------------------------|----------------------------|------------------------------|-------------------------|--------|
| | | | Projections | Actual |
| 27.064 | 2.936 | 90 | 10.069 | – |
| Disbursements (Cumulative) | Un-disbursed Loan Balance | Disbursement Performance % | Disbursements for 2014 | |
| | | | Projections | Actual |
| 24.316 | 5.684 | 81 | 20.254 | 4.570 |

C- Project Description

1. ADB approved financing of \$780 million for the MFF. Tranche 1 includes the Compact Fluorescent Lamp (CFL) Project under Loans 2552 and 8246, and the Investment Program Management Support Project under Loan 2553. Loan 8246 was declared effective on 9 July 2010, and Loans 2552/ 2553 were declared effective on 30 August 2010. The National CFL Project will replace about 30 million 40-100W incandescent bulbs in the residential sector with efficient, high-quality CFLs.

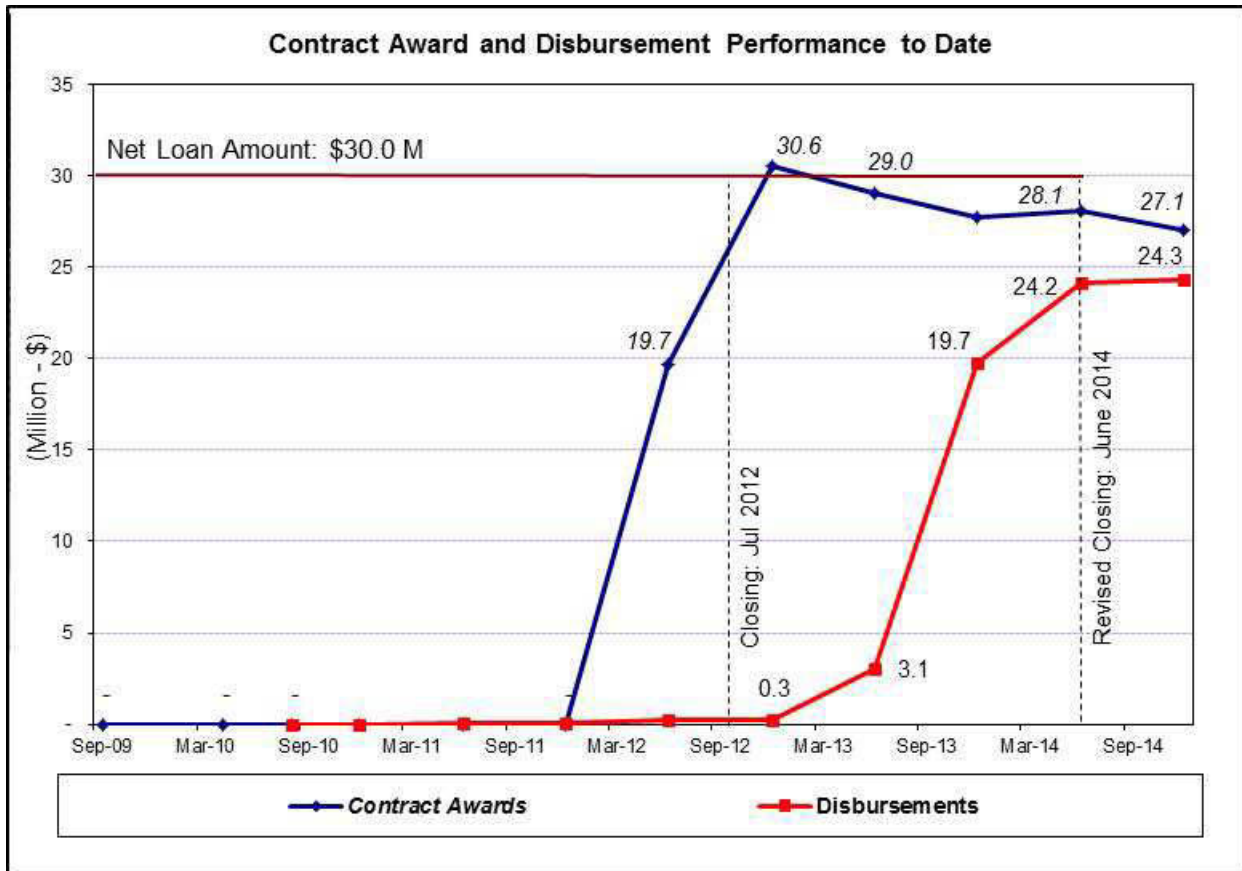
2. ADB approved financing of up to \$40 million from its ordinary capital resources (Loan 2552), and \$25 million equivalent from Agency Française de Développement (AFD, Loan 8246) for the bulk procurement and public awareness campaign for door-to-door CFL delivery to registered household customers in their license areas. The Government is contributing \$20 million. The distribution cost will be borne by the DISCOs and KESC. The project will save energy of at least 1,300 GWh annually. As procurement for the National CFL Project was substantially delayed, Loan 2552's closing date has been extended from 31 July 2012 to 31 December 2013. Loan 2553's closing date remains as 31 December 2017.

3. The Investment Program will bring about major energy savings starting 2012, and cut CO2 equivalent by 5.37 million tons by 2019. It will improve Pakistan's energy security and economic competitiveness by lowering energy intensity and improving energy productivity.

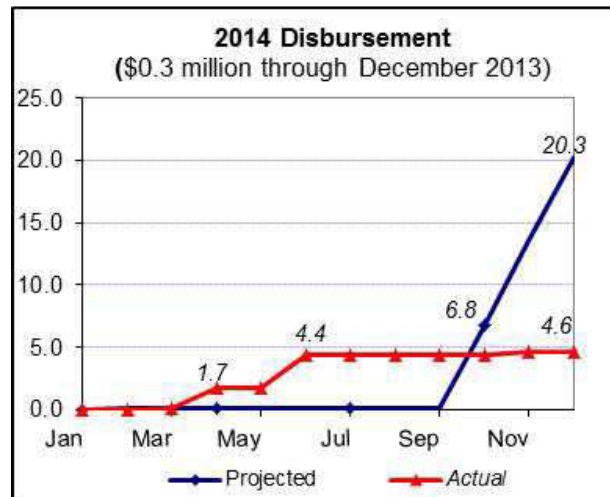
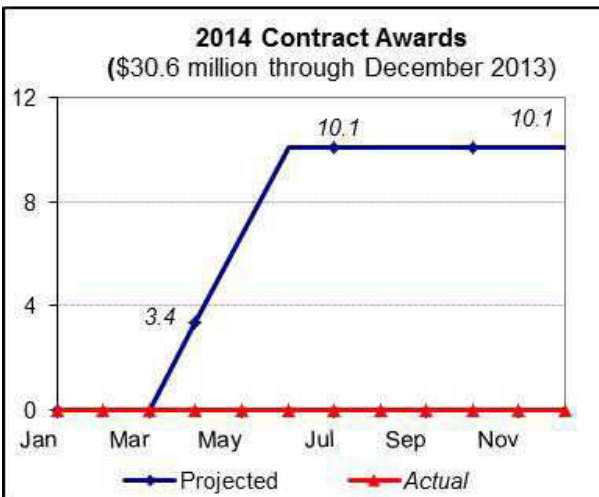
D- Current Status

| Outputs | Status with Key Activities |
|--|---|
| Introducing CFLs in the local market | <p>10 million CFLs Contract signed on 30 July 2012. 1st consignment delivered to the designated warehouses in Aug 2013. 2nd and 3rd consignments also delivered by 15 January 2014.</p> <p>20 million CFLs Contract signed 13 June 2012. 1st consignment delivered in Sep 2013. 2nd consignment also delivered. Third consignment delivered in February 2014.</p> <p>Distribution of CFLs For both packages, full distribution to the DISCOs' designated warehouses completed. Only 81% of the 30 million CFLs were distributed to the households, as some households no longer use incandescent fluorescent lamps for replacement. ADB gave no objection to MoWP's request to use the contingency plan in the RRP for distributing the remaining 5.8 million CFLs by 31 March 2015.</p> |
| Increased consumer awareness on energy efficient lighting products | <p>CFL media campaign contract signed 29 Dec 2011. Following delays in CFL procurement and distribution, and MoWP's approval of the campaign materials, the campaign commenced in December 2013. As CFL distribution is completed, MoWP requested ADB's no objection to terminate the contract. ADB gave no objection on 20 June 2014.</p> |

E- Contract Award and Disbursement Performance over Project Life



F- Contract Award and Disbursement Targets and Achievements in 2014



G- Status of Action Plan Agreed during CPR 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom | Update as of 31 Dec 2014 |
|---------|---------------------------------|--|-------------|-----------|---|
| 1 | Delayed CFL distribution | If distribution contingency plan is to be implemented, seek ADB's prior no objection. | 31 Oct 14 | MoW&P/PMU | Done. ADB gave no objection on 14 Jan 2015. |
| 2 | CFL Media Campaign | Submit contract amendment for CFL media campaign to ADB | 30 Sep 14 | PMU | Done |
| 3 | Disbursements | Submit all outstanding withdrawal applications to ADB and AFD | 31 Oct 14 | MoWP/PMU | Not done |
| | | Determine on the 10% withheld payment for CFL supply contracts, and submit withdrawal applications to ADB and AFD. | 31 Oct 2014 | MoWP/PMU | Not done |
| 4 | Project Audit Report | Submit audited project financial statements for FY ended 30 Jun 14. | Dec 2014 | PMU | Done |
| 5 | Project Completion Report (PCR) | Submit PCR with beneficiary database to ADB. | Dec 2014 | MoWP/PMU | Not done |

H. Action Plan to be discussed during QPR, Q4 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom |
|---------|--|---|---------------|------------|
| 1 | Proposed extension of Loan 2552's winding up period, and Loan 8246's closing date to 31 March 2015 | Submit formal request to ADB. | 21 Jan 2015 | EAD |
| | | Expedite PEPCO's review for withheld 10% payment under 2 CFL contracts. | TBD | MoWP/PEPCO |
| 2 | Project Completion Report | Submit PCR with original and expanded beneficiaries to ADB. | 31 March 2015 | PEPCO |
| 3 | Disbursements | Submit all outstanding withdrawal applications to ADB and AFD | TBD | MoWP/PMU |

Loan 2553-PAK(SF): MFF Energy Efficiency Investment Program

A - Loan Basic Data

\$ Million

| Approval Date | Signing Date | Effective Date | Closing Date | Closing Date (Revised) | Elapsed Time | Project Rating as of 31Dec 14 |
|-----------------|-----------------|----------------|--|------------------------|-----------------|-------------------------------|
| 22-Sep-09 | 29-Apr-10 | 30-Aug-10 | 31-Mar-17 | – | 70% | |
| Approved Amount | Net Loan Amount | Financing | EA/IA | Project Officer | Project Analyst | |
| 20 | 18.558 | ADF | Ministry of Water and Power, Islamabad | J. Hwang | M. Favis | On Track |

B- Loan Financial Progress

As of 31December 2014

| Contract Award (Cumulative) | Un-contracted Loan Balance | Contract Award Performance % | Contract Award for 2014 | |
|-----------------------------|----------------------------|------------------------------|-------------------------|--------|
| | | | Projections | Actual |
| 1.300 | 17.258 | 7 | – | – |
| Disbursements (Cumulative) | Un-disbursed Loan Balance | Disbursement Performance % | Disbursements for 2014 | |
| | | | Projections | Actual |
| 0.672 | 17.887 | 4 | 0.005 | 0.182 |

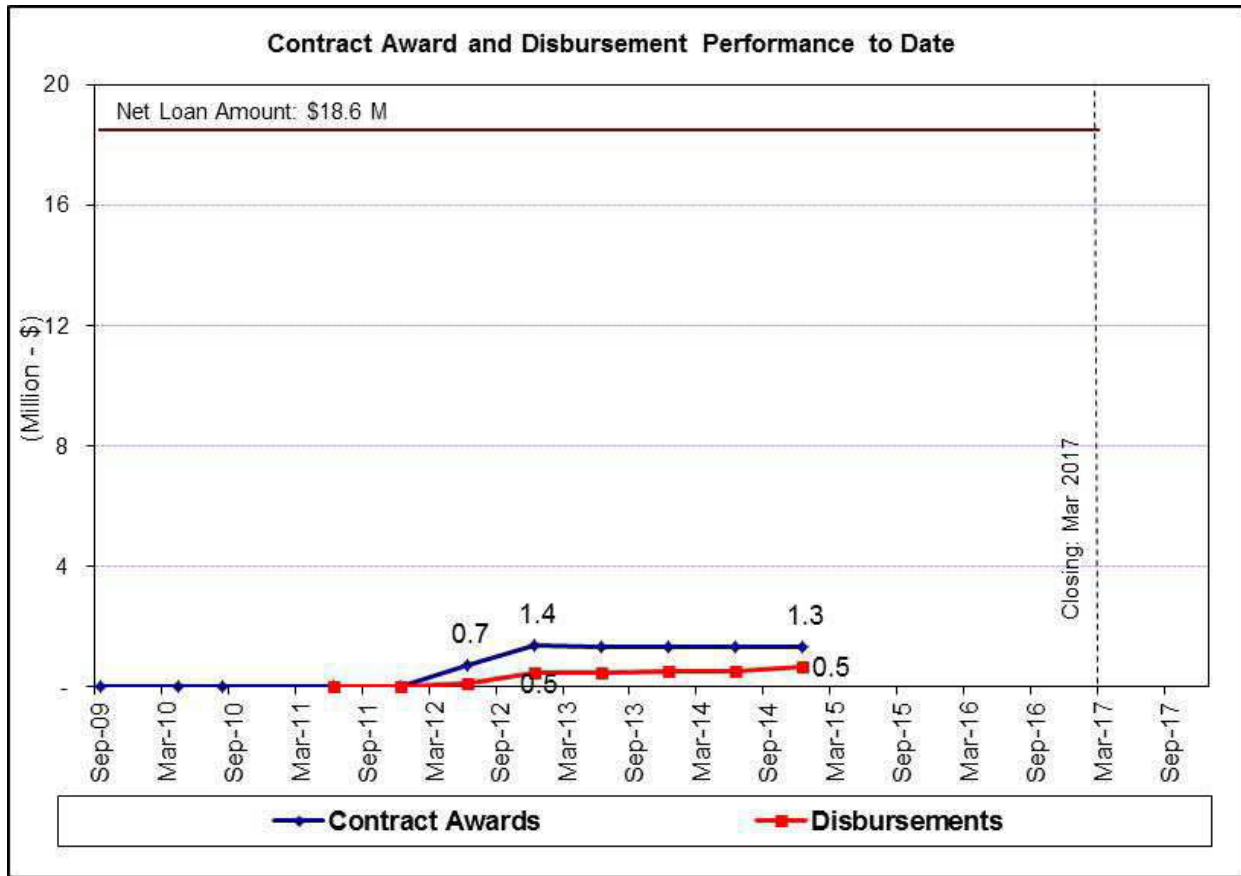
C- Project Description

1. The Investment Program Implementation and Management Support Project will help the Government manage the Investment Program, and execute projects under each tranche. It will help with policy and institutional reform, safeguard management, gender mainstreaming, financing controls, monitoring, evaluation, results reporting, and design and due diligence for future tranches. ADB approved financing of up to \$20 million from ADB's Special Funds resources (Loan 2553). The Government is contributing \$5 million.

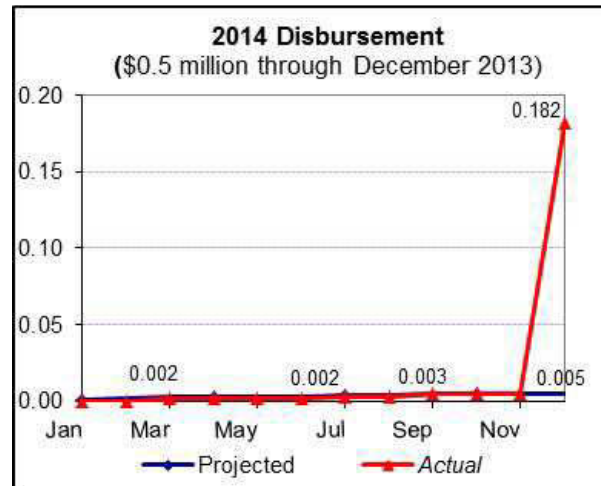
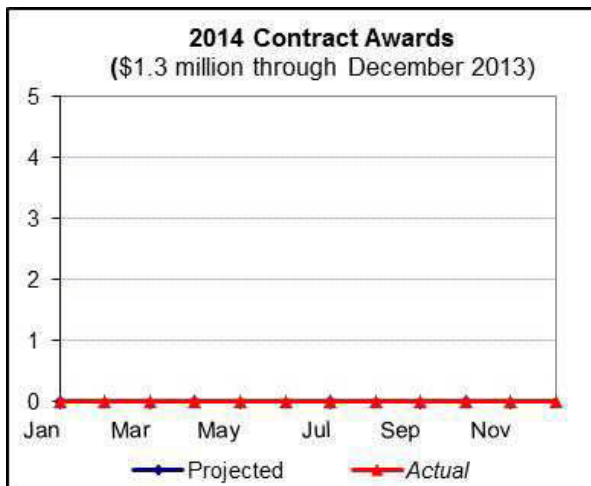
D- Project Monitoring Framework (Current Status)

| Outputs | Status with Key Activities |
|--|--|
| Energy efficiency and climate change mainstreamed in national development strategy | New accredited appliance and equipment testing facilities to be established at major regional centers. Newly-created fully equipped testing and certification laboratories for lighting devices to be established (<i>status</i>) – <i>overdue</i> |
| Lamp waste collection and recycling demonstration facility established | <i>Not yet started, target date of 2014 revised to Q2 2017.</i> Procurement to commence after the PMO is on board. |

E- Contract Award and Disbursement Performance over Project Life



F- Contract Award and Disbursement Targets and Achievements in 2014



G- Status of Action Plan Agreed during Review Mission of 9-19 Sep 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom | Update as of 31 Dec 2014 |
|----------------|--|--|-----------------|------------------|---------------------------------|
| 1 | PMO is not fully effective yet. | Fill all key PMO positions | Dec 2014 | MoW&P/ PMO | Not done |
| 2 | Change in EA | Confirm if the EA for the MFF will be changed from PCP to MoWP | Immediate | EAD/MoWP | Not done |
| | | If yes, confirm the revised project management arrangements in the FFA and loan agreement | Immediate | EAD/MoWP /ADB | |
| | | Amend FFA and related loan agreements | Immediate | ADB | |
| 3 | Complete Lamp waste management facility | Submit draft BD to ADB | Mar 2015 | MoWP/PMO | Not yet due |
| | | Approve Draft BD | | ADB | |
| | | Tendering | | MoWP/PMO | |
| | | BER submission to ADB | | MowP/PMU | |
| | | BER approval | | ADB | |
| | | Contract Award | | MoWP | |
| | | Include social provisions in the contract for the lamp waste management facility (labor, health, and gender) | | MoWP/PMO | |
| 4 | Procurement of vehicles and office equipment etc | Quotations received for procurement of vehicles, furniture, office equipment, tools and maintenance equipment. Award Contract | Mar 2015 | MowP/PMO | Not yet due |

Table 3: Action Plan to be discussed during QPR, Q4 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom |
|----------------|---|--|------------------|----------------|
| 1 | PMO is not fully effective yet, and no progress on other support component activities (e.g procurement) | Advise on plan to proceed with or cancel Loan 2553 and the MFF. | Immediate | EAD |
| 2 | Construction of lamp waste management facility delayed | Initiate procurement of lamp waste management facility (regardless of whether Loan 2553/MFF is cancelled) to address environmental impacts | 15 February 2015 | MoWP |
| 3 | Change in EA | Confirm if the EA for the MFF will be changed from PCP to MoWP | Immediate | EAD/MoWP |
| | | If yes, confirm the revised project management arrangements in the FFA and loan agreement | Immediate | EAD/MoWP /ADB |
| | | Amend FFA and related loan agreements | Immediate | ADB |

Loan 3090/3091-PAK3092-PAK(SF): Jamshoro Power Generation Project

A- Loan Basic Data

\$ Million

| Approval Date | Signing Date | Effective Date | Closing Date | Closing Date (Revised) | Elapsed Time | Project Rating as of 31-Dec-14 |
|--|--|--|--|------------------------|-------------------------------------|--------------------------------|
| 09-Dec-13 | 12-Feb-14 | 20-Nov-2014 | L3090: 31-Mar-19 L3091: 30-Jun-24 L3092: 31-Mar-19 | None | L3090:20% L3091:19% L3092:20% | |
| Approved Amount | Net Loan Amount | Financing | EA/IA | Project Officer | Project Analyst | |
| L3090: 840.0 L3091: 30.0 L3092: 30.0 | L3090: 840.0 L3091: 30.0 L3092: 29.8 | L3090: OCR L3091: OCR L3092: ADF | GENCO | M. Wolf | D. Garcia | |

B- Loan Financial Progress

As of 31 December 2014

Loan 3090-PAK

| Contract Award (Cumulative) | Contract Award Performance % | Un-contracted Loan Balance | Contract Award for 2014 | |
|-----------------------------|------------------------------|----------------------------|-------------------------|--------|
| | | | Projections | Actual |
| - | - | 840.0 | - | - |
| Disbursements (Cumulative) | Disbursement Performance % | Un-disbursed Loan Balance | Disbursements for 2014 | |
| | | | Projections | Actual |
| - | - | 840.0 | - | - |

Loan 3091-PAK

| Contract Award (Cumulative) | Contract Award Performance % | Un-contracted Loan Balance | Contract Award for 2014 | |
|-----------------------------|------------------------------|----------------------------|-------------------------|--------|
| | | | Projections | Actual |
| - | - | 30.0 | - | - |
| Disbursements (Cumulative) | Disbursement Performance % | Un-disbursed Loan Balance | Disbursements for 2014 | |
| | | | Projections | Actual |
| - | - | 30.0 | - | - |

Loan 3092-PAK

| Contract Award (Cumulative) | Contract Award Performance % | Un-contracted Loan Balance | Contract Award for 2014 | |
|-----------------------------|------------------------------|----------------------------|-------------------------|--------|
| | | | Projections | Actual |
| - | - | 29.8 | - | - |
| Disbursements (Cumulative) | Disbursement Performance % | Un-disbursed Loan Balance | Disbursements for 2014 | |
| | | | Projections | Actual |
| - | - | 29.8 | - | - |

C- Project Description

1. The project's impact will be an enhanced energy supply in Pakistan. The project will (i) increase the capacity of the Jamshoro TPS by installing a 600-MW (net) supercritical coal-fired unit, using an 80/20 blend of imported sub-bituminous coal and domestic lignite when available; (ii) provide 5 years of operation and maintenance (O&M) support; (iii) improve compliance with international and national environmental standards by installing emission control devices for the existing units and remediating the site; (iv) enhance the capacity of GENCO Holding Company Limited (GHCL) and Jamshoro Power Company Limited (JPCL) by providing financial, technical, and operational training; and (v) promote education on coal-fired plant operation by providing on-the-job training, and integrating such training into technical school curriculum. The infrastructure developed will also support government's plan to have an additional 600-MW unit at the same site.

2. The outcome will be a more efficient energy mix through diversification from expensive HFO to less expensive coal.

D- Project Monitoring Framework (Current Status)

| Outputs | Performance Indicators | Status with Key Activities |
|---|--|--|
| 1. Jamshoro TPS capacity increased | Installation of one 600 MW (net) supercritical coal-fired unit and begin implementation of the 5-years O&M contract, by 2019 | <p>Loan declared effective on 20 Nov 2014.</p> <p>Project Implementation consultant (PIC) selection is at advance stage where ADB issued a no objection on the draft negotiated contract on 20 Nov 2014.</p> <p>Civil works for the site preparation is expected to commence by Q3 2016.</p> <p>Bioremediation and installation of FGD/emission control devices is included in the EPC contract for Jamshoro supercritical coal-fired power plant installation which is expected to commence in Q2 2017.</p> |
| 2. National environmental standards complied with by Jamshoro TPS | Bioremediation of the contaminated soil by 2024 | |

| Outputs | Performance Indicators | Status with Key Activities |
|---|--|--|
| | Construction of hazardous waste storage facility, effluent pipeline, landfill for colony waste, and proper lined evaporation ponds by 2019. | |
| | Installation of emission control devices (FGD) for the existing units by 2019. | |
| 3. Executing agency and implementation agency staff capacity enhanced | Training manuals developed, at least 160 staff (male and female) and 10 trainers trained on coal-fired power plant operation by 2019 | Not yet due. Preparation of training manuals will be done by the capacity development consultant to be engaged in Q2 2016. |
| | At least 50 relevant staff (male and female) trained on project administration, safeguard, procurement, financial, and technical O&M aspects by 2019 | Under PIC Contract. |
| 4. Coal-fired power plant operation introduced in technical school curriculum | Inclusion of at least one subject related to coal-fired plant operation in a technical school by 2019 | Under PIC Contract. |

E- Status of Action Plan discussed during CPR 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom | Update as of 31 Dec 2014 |
|----------------|--------------------|---|-----------------|----------------|-----------------------------------|
| 1 | Loan Effectiveness | Meet loan effectiveness conditions and declare loan effective | Immediate | EA and ADB | Declared effective on 20 Nov 2014 |

F- Action Plan to be discussed during QPR, Q4 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom |
|----------------|---------------------------|---|-----------------|----------------|
| 1 | Contract signing with PIC | Immediate PIC mobilization to finalize bidding documents for Jamshoro power plant | Immediate | EA (GHCL) |

Loan 3126- PAK(SF): Sustainable Energy Sector Reform Program Subprogram I

A - Loan Basic Data

\$ Million

| Approval Date | Signing Date | Effective Date | Closing Date | Closing Date (Revised) | Elapsed Time | Project Rating as of 31Dec 14 |
|-----------------|-----------------|----------------|--------------|------------------------|-----------------|-------------------------------|
| 24 Apr 14 | 28 Apr 14 | 28 Apr 14 | 30 Jun 15 | | 58% | |
| Approved Amount | Net Loan Amount | Financing | EA/IA | Project Officer | Project Analyst | |
| 400.000 | 399.158 | ADF | MoWP | F. Cleo | M. Favis | Not rated |

MoWP = Ministry of Water and Power, Islamabad

B- Loan Financial Progress

As of 31December 2014

| Contract Award (Cumulative) | Un-contracted Loan Balance | Contract Award Performance % | Contract Award for 2014 | |
|-----------------------------|----------------------------|------------------------------|-------------------------|---------|
| | | | Projections | Actual |
| 399.158 | – | 100 | – | 399.158 |
| Disbursements (Cumulative) | Un-disbursed Loan Balance | Disbursement Performance % | Disbursements for 2014 | |
| | | | Projections | Actual |
| 399.158 | – | 100 | 399.160 | 399.160 |

C- Project Description

1. The Investment Program Implementation and Management Support Project will help the Government manage the Investment Program, and execute projects under each tranche. It will help with policy and institutional reform, safeguard management, gender mainstreaming, financing controls, monitoring, evaluation, results reporting, and design and due diligence for future tranches. ADB approved financing of up to \$20 million from ADB's Special Funds resources (Loan 2553). The Government is contributing \$5 million.

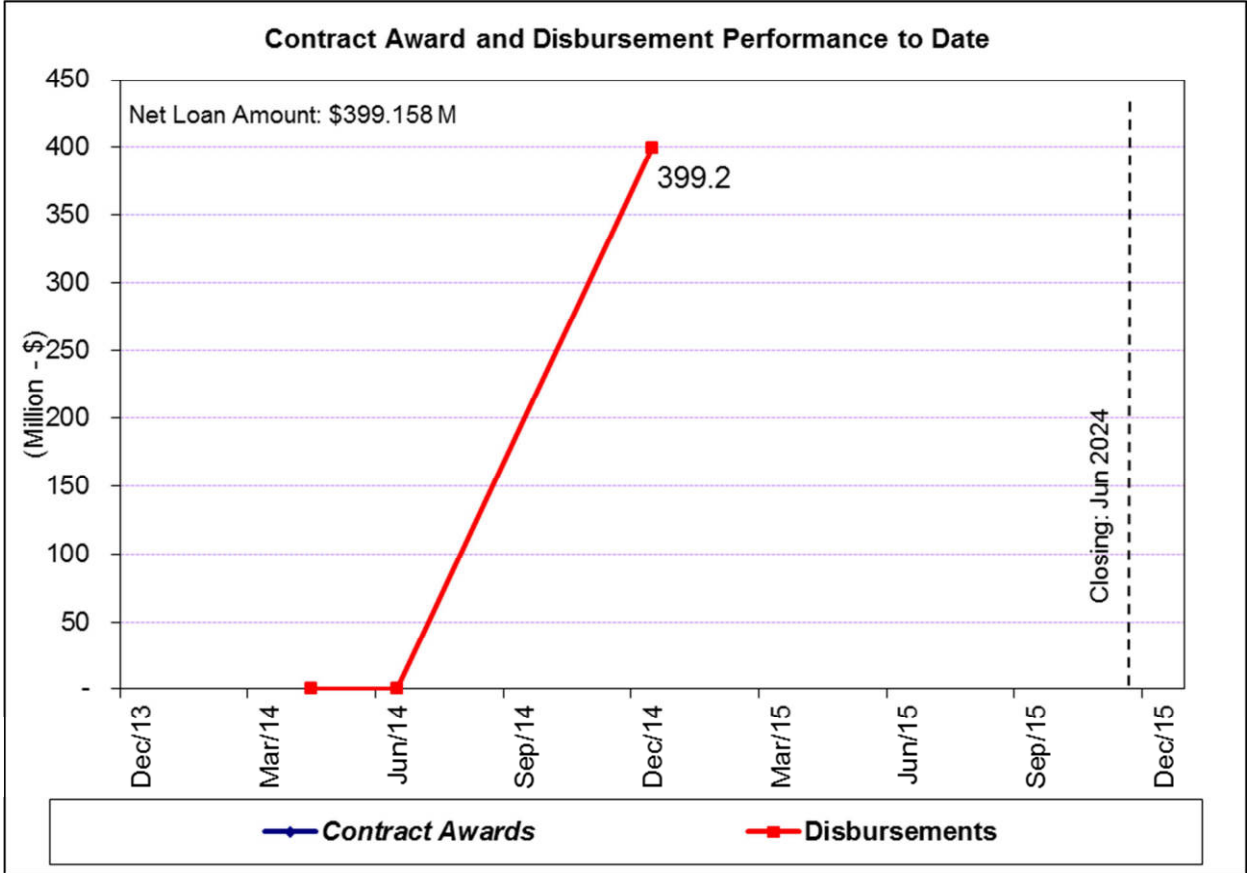
D- Project Monitoring Framework (Current Status)

| Outputs | Performance Indicator | Status with Key Activities |
|--|--|---|
| Improving sector performance and market access for private sector participation: (i) Reducing losses and improving collection rate of DISCOs (ii) Improving demand-side efficiency and strengthening energy conservation | Improvement in collection rate of DISCOs from 86% in 2012 to 94% of total billing by 2017 Aging of government receivables reduced from 410 days (provincial) and 180 days (federal) to 90 days by June 2015 Energy efficiency labeling on the 20 most energy-intensive appliances by June 2018 | Activity under Subprogram 1 done. Policy Matrix for Subprogram 2 being adjusted. |

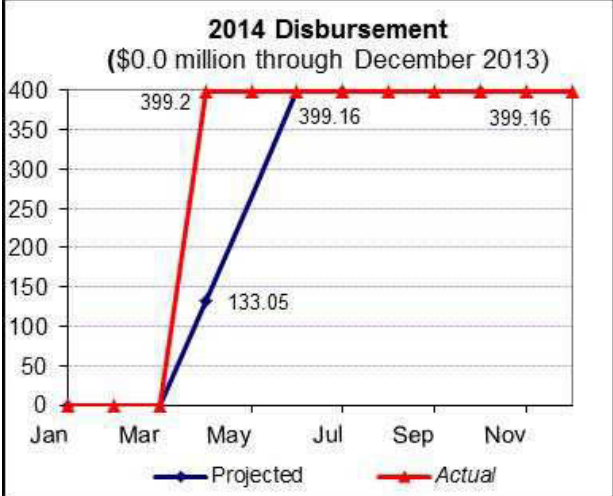
| Outputs | Performance Indicator | Status with Key Activities |
|--|---|--|
| <p>(iii) Managing generation costs through least-cost planning, and ensuring that new power generation plants follow the plan</p> <p>(iv) Increasing gas supply and opening the gas market to direct contracting between producers and large-volume gas consumers</p> <p>(v) Commercializing and improving the performance of public sector power companies</p> <p>(vi) Institutionalizing the commercial operations of the CPPA</p> | <p>Payment arrears remain below PRs 220 billion starting from 2015 (May 2013: PRs 503 billion)</p> <p>Long-term, least-cost generation and transmission expansion plan issued, and bidding for additions to three new power generation plants based on LCP completed by January 2018</p> <p>At least 5% of new gas supply, contracted directly to large gas customers and producers by January 2018</p> <p>Performance targets set in the executed performance contracts met by all DISCOs by December 2017</p> <p>CPPA becomes fully operational as an independent agency by December 2014 and starts bulk customer trading by December 2017</p> | |
| <p>Achieving accountability and transparency in the power sector</p> | <p>All key operational and payment information of the power sector published on CPPA's and DISCOs' websites by January 2016</p> <p>Timely and continued issuance of quarterly reports on the implementation status of the National Power Policy 2013 issued by September 2014, and by June 2015 the report includes review and recommendations by international experts</p> | <p>Activity under Subprogram 1 done.</p> <p>Policy Matrix for Subprogram 2 being adjusted.</p> |

| Outputs | Performance Indicator | Status with Key Activities |
|---|---|--|
| <p>Managing tariffs and subsidies:</p> <p>(i) Clear policies on tariffs and subsidies that are targeted at low-income customers</p> <p>(ii) Ensure policy implementation through NEPRA rules and guidelines</p> <p>(iii) Reduction of discretionary policy decisions and of lag in tariff approval and implementation</p> | <p>DISCO tariff determination reduced from more than 7 months after submission of petition (2013) for all DISCOs to within 4 months by June 2017</p> <p>Guidelines for DISCO tariff determination covering methodologies, timetable, formula, and procedures for both annual and multi-year tariffs, procedure for earlier submission on investment costs by DISCOs, and forward-looking automatic FPA notified by NEPRA by December 2014 and implemented</p> | <p>Activities under Subprogram 1 done.</p> <p>Policy Matrix for Subprogram 2 being adjusted.</p> |

E- Contract Award and Disbursement Performance over Project Life



F- Contract Award and Disbursement Targets and Achievements in 2014



Loan 3203-PAK(SF):Power Transmission Enhancement Investment Program Tranche IV

A - Loan Basic Data

\$ Million

| Approval Date | Signing Date | Effective Date | Closing Date | Closing Date (Revised) | Elapsed Time | Project Rating as of 31Dec 14 |
|-----------------|-----------------|----------------|--------------|------------------------|-----------------|-------------------------------|
| 03-Dec-14 | 12-Dec-14 | Not effective | 31-Dec-16 | – | 4% | |
| Approved Amount | Net Loan Amount | Financing | EA/IA | Project Officer | Project Analyst | |
| 248.000 | 248.000 | OCR | PEPCO | M. Wolf | M. Favis | On Track |

B- Loan Financial Progress

As of 31Dec 2014

| Contract Award (Cumulative) | Un-contracted Loan Balance | Contract Award Performance % | Contract Award for 2014 | |
|-----------------------------|----------------------------|------------------------------|-------------------------|--------|
| | | | Projections | Actual |
| – | – | – | – | – |
| Disbursements (Cumulative) | Un-disbursed Loan Balance | Disbursement Performance % | Disbursements for 2014 | |
| | | | Projections | Actual |
| – | – | – | – | – |

C- Project Description

- The Project is the fourth tranche of an \$800 multi-tranche financing facility and aims to augment, rehabilitate and expand transmission system. Tranche 4 will provide financing for 10 subprojects covering (i) line bay extension and 281 kilometers (km) of 500-kilovolt (kV) transmission line from the 500-kV Muzaffargarh grid station for electricity evacuation from the 747-MW Guddu power plant; (ii) four new 220-kV grid stations and in/out transmission lines at Chakdara, D.I. Khan, Lalian, and Nowshehra; (iii) installation of a static var system (SVS) at 220-/132-kV Quetta industrial grid station; (iv) extension of 500-kV grid stations at Jamshoro and Gujranwala, and augmentation of 500-kV grid station at Rewat; and (v) the procurement of construction and operational equipment.
- The Project impact will be enhanced power transmission operations and management, and the outcome will be an expanded and reliable 500-kV and 220-kV transmission system.

D- Project Monitoring Framework (Current Status)

| Outputs | Performance Indicators | Status with Key Activities |
|---|--|--|
| Transmission lines and substations commissioned | Extension of the 500-kV grid stations at Jamshoro and Gujranwala, and augmentation of the 500-kV Rewat grid station by 2016. | The draft master bidding documents (MBD) for 4 contract packages are under review/revision. Completion of contracts may exceed the loan closing date of 31 December 2016. |

| Outputs | Performance Indicators | Status with Key Activities |
|---------|---|----------------------------|
| | Addition of 281 km of 500-kV transmission line and extension of the 500-kV Muzaffargarh substation completed by 2016. | |
| | Addition of four new 220-kV grid stations and 195 km associated in/out transmission lines at Chakdara, D.I.Khan, Lalian, and Nowshehra completed by 2016. | |
| | Establishment of a new static VAR system at 220-kV Quetta industrial grid station by 2016 | |

E. Action Plan to be discussed in upcoming QPR Q4, 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom |
|---------|---|---|--|---------------------------------------|
| 1 | Finalization and approval of MBDs delayed | ADB-70 (goods) - review revised draft MBD ADB-72 (small works, previously large works) - review draft MBD ADB-74 (EPC contract) - submit revised draft MBD ADB-78 (large works) - review revised draft MBD | Immediate 31 Jan 15 Immediate 31 Jan 15 | ADB ADB NTDC ADB |
| 2 | Submission/finalization of draft bidding documents for other packages delayed | Submit revised draft BD for ADB-77 Submit remaining draft BD for 8 packages | 22 Jan 15 28 Feb 15 | NTDC NTDC |
| 3 | Recruitment of Project implementation consultants. | Submit draft TORs and cost estimates to be financed under Loan 2290 | 15 Feb 2015 | NTDC |
| 4 | Effectiveness of Loan | Govt. to meet all formalities so that ADB can declare the loan effectiveness. | 12 Mar 2015 | NTDC/EAD/ADB |

Loan 2400-PAK: MFF National Trade Corridor Highway Investment Program Tranche I

A- Loan Basic Data

\$ Million

| Approval Date | Signing Date | Effective Date | Closing Date | Closing Date (Revised) | Elapsed Time | Project Rating as of 31 Dec 14 |
|-----------------|-----------------|----------------|--------------|------------------------|-----------------|--------------------------------|
| 17-Dec-07 | 3-Dec-08 | 22-Dec-08 | 30-Jun-14 | 31-Mar-15 | 97% | |
| Approved Amount | Net Loan Amount | Financing | EA/IA | Project Officer | Project Analyst | On Track |
| 170.0 | 146.0 | OCR | NHA | Z. Naqvi | K. Butt | |

B- Loan Financial Progress

As of 30 June 2014

| Contract Award (Cumulative) | Un-contracted Loan Balance | Contract Award Performance % | Contract Award for 2014 | |
|-----------------------------|----------------------------|------------------------------|-------------------------|--------|
| | | | Projections | Actual |
| 141.446 | 4.554 | 97 | - | - |
| Disbursements (Cumulative) | Un-disbursed Loan Balance | Disbursement Performance % | Disbursements for 2014 | |
| | | | Projections | Actual |
| 119.853 | 26.147 | 82 | 26.377 | 30.238 |

C- Project Description

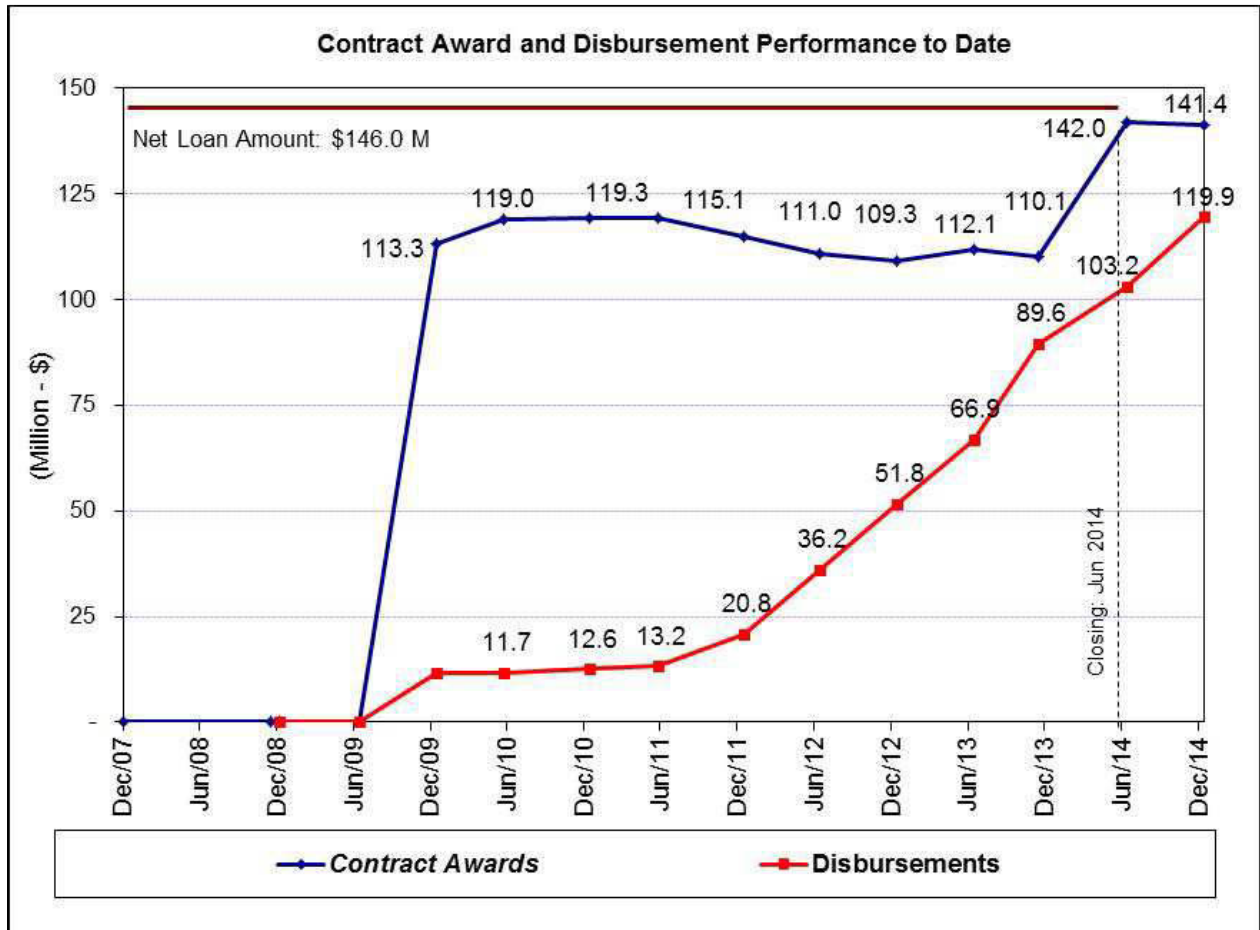
1. The Project is the first tranche of a multi-tranche financing facility for \$900 million to support the National Trade Corridor (NTC) Improvement Program. The National Trade Corridor Highway Investment Program (NTCHIP) aims to assist the Government of Pakistan in the implementation of its flagship initiative approved by the Government in 2005. The objective of NTCHIP is to develop and improve road connectivity along the main north-south national highway corridor that will support the national trade corridor (NTC). Transport sector efficiencies will be linked to policy reforms and action as identified and endorsed by the Government's reform agenda on NTC.

2. The Project under Tanche-1 will construct a four-lane highway from Faisalabad to Gojra (Section 1 of the Faisalabad-Khanewal Highway), including full-depth asphalt pavement, bridges, flyovers, underpasses, and interchanges. The project aims to achieve efficiency gains for road traffic operation along Faisalabad-Gojra.

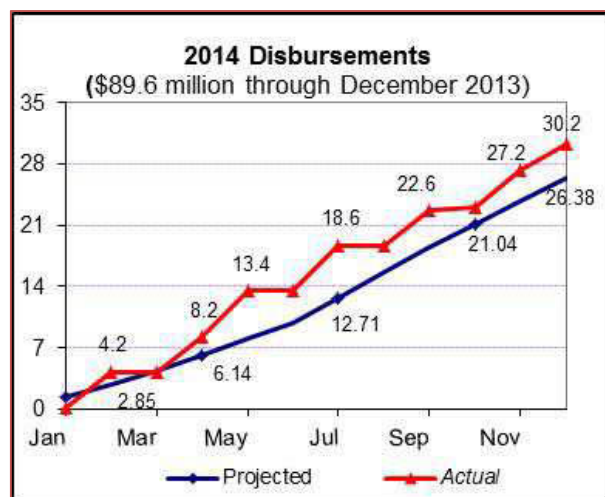
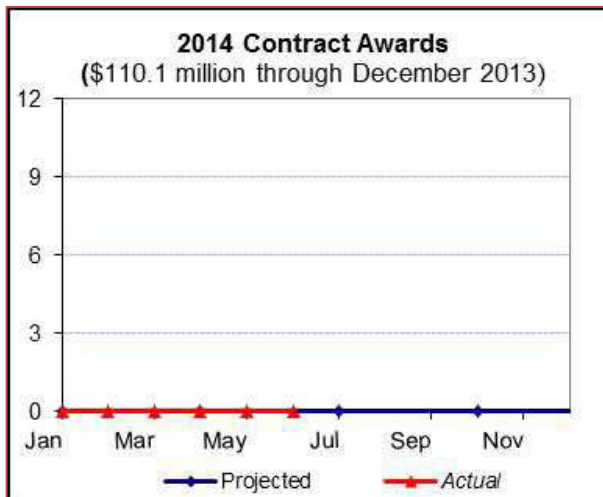
D- Project Monitoring Framework (Current Status)

| Outputs | Status with Key Activities |
|---|--|
| Construction of 58-km motorway between Faisalabad and Gojra | Contract awarded to M/s. China International Water and Electrical Corp (CWE), China for \$112,665,362 with a revised completion period of 46 months. The expected completion date is, however, 31 January 2015. As of end December 2014, physical progress is 98% and financial progress is 82.1%. The civil work on the main carriageway and interchanges is completed and only ancillary works are in progress, which will also be completed by 31 January 2015. |

E- Contract Award and Disbursement Performance over Project Life



F- Contract Award and Disbursement Targets and Achievements in 2014



**G- Status of Action Plan Agreed during QPPR Mission (24 Feb to 5 Mar 2014)
 Status of Action Plan Agreed during CPR 2014**

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom | Update as of 31 Dec 2014 |
|---------|--|--|----------------------------|--------------------|---|
| 1 | Contractor's Claim Associated with Extension of Time | The dispute board has made a decision in favor of the contractor about the contract's claim of delay costs associated with the first EOT amounting to about \$7.5 million. NHA will decide whether to accept the dispute board's decision or elevate the issue to arbitration. It is advised that if the dispute can be settled before loan closing through negotiations in an amicable manner, the ADB loan would absorb it and save NHA from unnecessary financial burden. NHA should thoroughly assess expected gains and losses of two options, i.e., settlement through negotiations or arbitration, and make a most sensible decision. | Till settlement of dispute | NHA | A partial payment of PRs. 310.96 Million is processed. |
| 2 | Completion of entire project and opening to traffic | Project expected to complete and opened to traffic by 31 December 2014, subject to: i) Contractor demonstrating adequate cash flow; and ii) NHA demonstrating timely processing of payments to contractor including payment of GOP share. | Till 31 December 2014 | NHA and contractor | The project has achieved 98% of physical progress. Only ancillary works are in progress, which will also be completed by 31 January 2015. |

Table 3: Action Plan to be discussed during QPR Q4, 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom |
|----------------|-----------------------------------|--|--|----------------|
| | NHA's dispute with the contractor | There is a dispute between NHA and the contractor. The dispute board (DB) has given its decision in favour of the contractor. NHA needs to amicably settle the dispute well before loan account closing so that the financial liability arising out of the settlement, can be cleared from loan money. | Within the winding loan winding up period. | NHA |

Loan 2540-PAK: MFF National Highway Development Sector Investment Program Tranche II

A- Loan Basic Data

\$ Million

| Approval Date | Signing Date | Effective Date | Closing Date | Closing Date (Revised) | Elapsed Time* | Project Rating as of 31 Dec 14 |
|-----------------|-----------------|----------------|--------------|------------------------|-----------------|--------------------------------|
| 26-Aug-09 | 2-Sep-09 | 21-Sep-09 | 31-Dec-13 | 31-Dec-14 | 100% | |
| Approved Amount | Net Loan Amount | Financing | EA/IA | Project Officer | Project Analyst | |
| 230 | 230.0 | OCR | NHA | D. Pyo | R. Tabernilla | On Track |

*Based on revised loan closing date

B- Loan Financial Progress

As of 30 June 2014

| Contract Award (Cumulative) | Un-contracted Loan Balance | Contract Award Performance % | Contract Award for 2014 | |
|-----------------------------|----------------------------|------------------------------|-------------------------|--------|
| | | | Projections | Actual |
| 221.775 | 8.225 | 96 | 45.504 | 2.600 |
| Disbursements (Cumulative) | Un-disbursed Loan Balance | Disbursement Performance % | Disbursements for 2014 | |
| | | | Projections | Actual |
| 211.247 | 18.753 | 92 | 41.819 | 48.066 |

C- Project Description

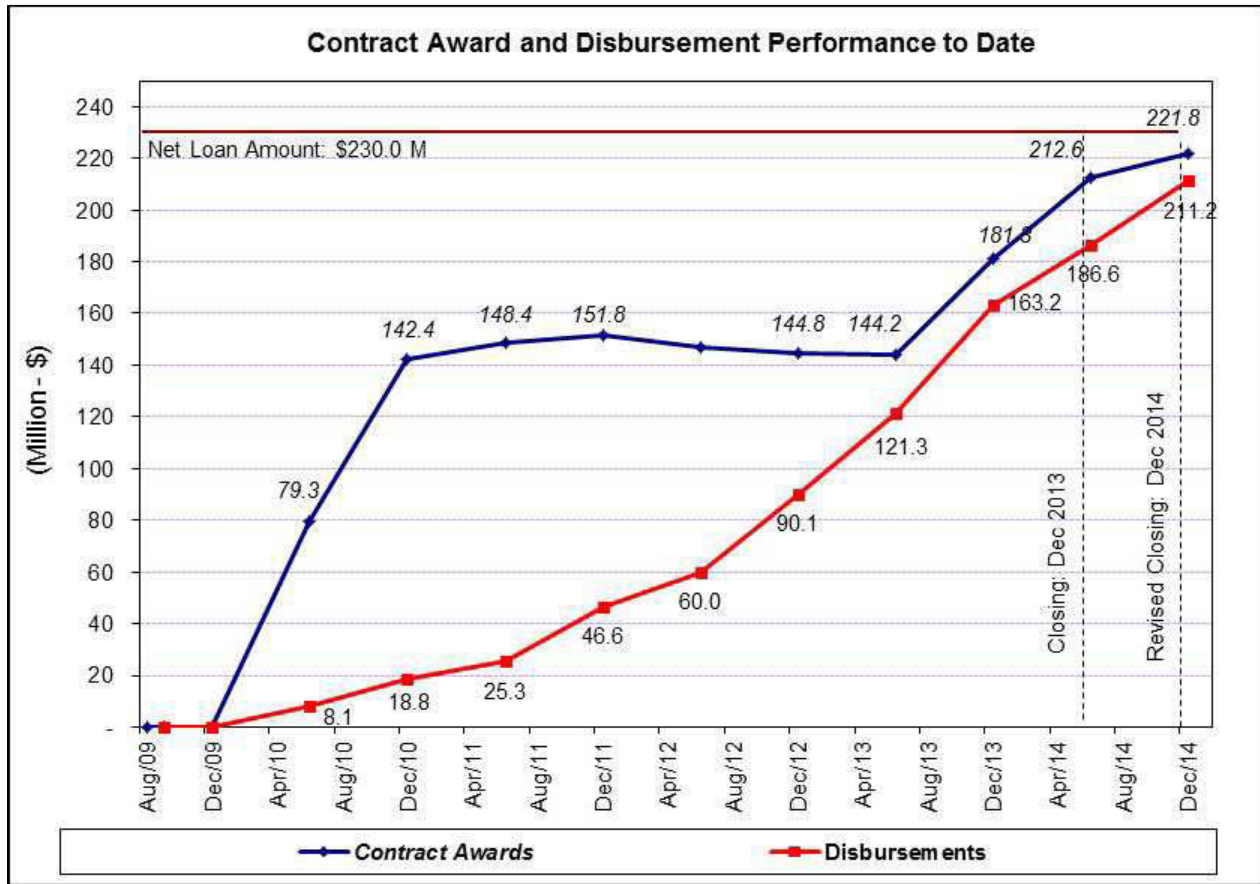
1. The Project is the second tranche of a multi-tranche financing facility for \$770 million. The MFF represents 33% of the total financing plan envisaged under the National Highway Development Plan (NHDP). The ADB funding covers investment and noninvestment interventions. The MFF has a maximum utilization period of 10 years. The focus is on immediate priority investment and noninvestment interventions needed to overcome critical bottlenecks in the national highway network.

2. The outcome of the project is to improve road sector efficiency on the main transport corridors in Pakistan through improved National Highway road network infrastructure and operations. The Tranche-2 consists of two national highways; Sukkur-Jacobabad Road (68 km) and QilaSaifullah-Zhob Road (150 km).

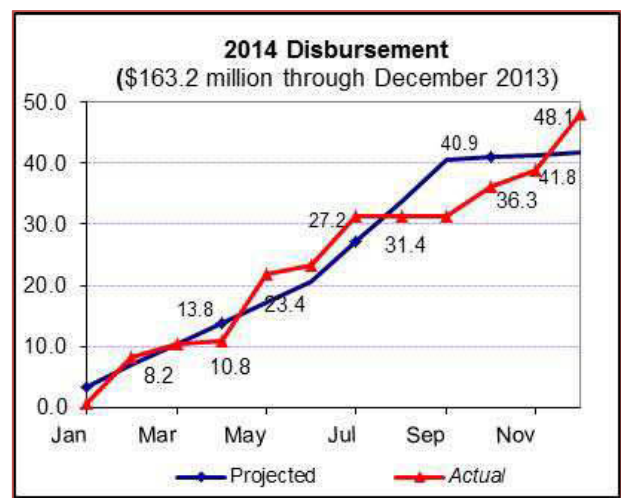
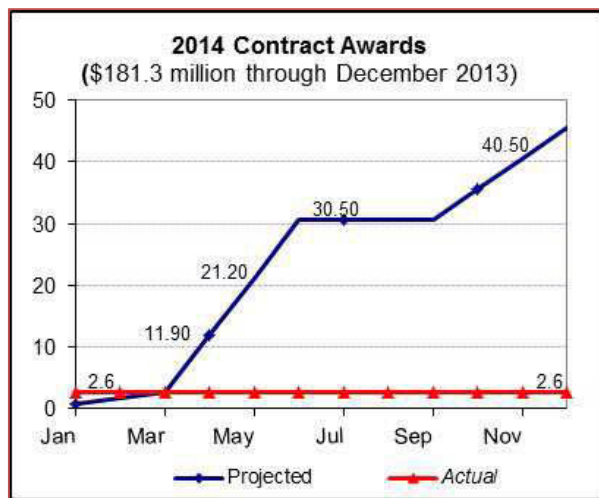
D- Project Monitoring Framework (Current Status)

| Outputs | Status with Key Activities |
|---------------------------------|---|
| Sukkur–Jacobabad 68 km | Sukkur-Jacobabad road was physically completed in December 2014. |
| QilaSaifullah–Zhob (N50) 150 km | The QilaSaifullah–Zhob road is completed. The taking-over certificate was issued in January 2014. |

E- Contract Award and Disbursement Performance over Project Life



F- Contract Award and Disbursement Targets and Achievements in 2014



G- Status of Action Plan Agreed during CPR 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom | Update as of 31 Dec 2014 |
|---------|---|---|--|--------------------------------|--------------------------|
| 1 | Counterpart funding problem. The project requires \$6.5 million for completion in addition to PSDP allocation of \$3.9 million. | Ensure arranging balance counterpart funds through reallocation during PSDP first quarter's review in October 2014 NHA will submit the proposal for change in financing share (decreasing the GoP share) | First quarter review of PSDP in October 2014 Mid October 2014 | EAD, NHA, MoC, PD&R NHA | TBD |

H. Action Plan to be discussed during QPR Q4, 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom |
|---------|-----------------------------------|---|--|---------|
| | NHA's dispute with the contractor | On Qila Saifullah – Zhob road, there is a dispute between contractor and NHA, wherein the dispute board has decided in favour of the contractor. It is suggested that if the dispute can be settled before loan closing, so that the amount can be from the loan, avoiding unnecessary financial burden on NHA. | Within the winding loan winding up period. | NHA |

Loan 3121-PAK: MFF: National Trade Corridor Highway Investment Program-Tranche II

A- Loan Basic Data

\$ Million

| Approval Date | Signing Date | Effective Date | Closing Date | Closing Date (Revised) | Elapsed Time | Project Rating as of 31Dec 14 |
|-----------------|-----------------|----------------|--------------|------------------------|-----------------|-------------------------------|
| 01-Apr-14 | 17-Sep-14 | 11-Nov-14 | 31-Dec-17 | | 20% | |
| Approved Amount | Net Loan Amount | Financing | EA/IA | Project Officer | Project Analyst | Actual Problem |
| 200 | 200.0 | OCR | NHA | J. Ning | K. Butt | |

B- Loan Financial Progress (As of 30 June 2014)

| Contract Award (Cumulative) | Un-contracted Loan Balance | Contract Award Performance % | Contract Award for 2014 | |
|-----------------------------|----------------------------|------------------------------|-------------------------|--------|
| | | | Projections | Actual |
| - | 200.0 | - | 6.800 | - |
| Disbursements (Cumulative) | Un-disbursed Loan Balance | Disbursement Performance % | Disbursements for 2014 | |
| | | | Projections | Actual |
| 0.013 | 199.988 | 0.01 | 0.500 | 0.013 |

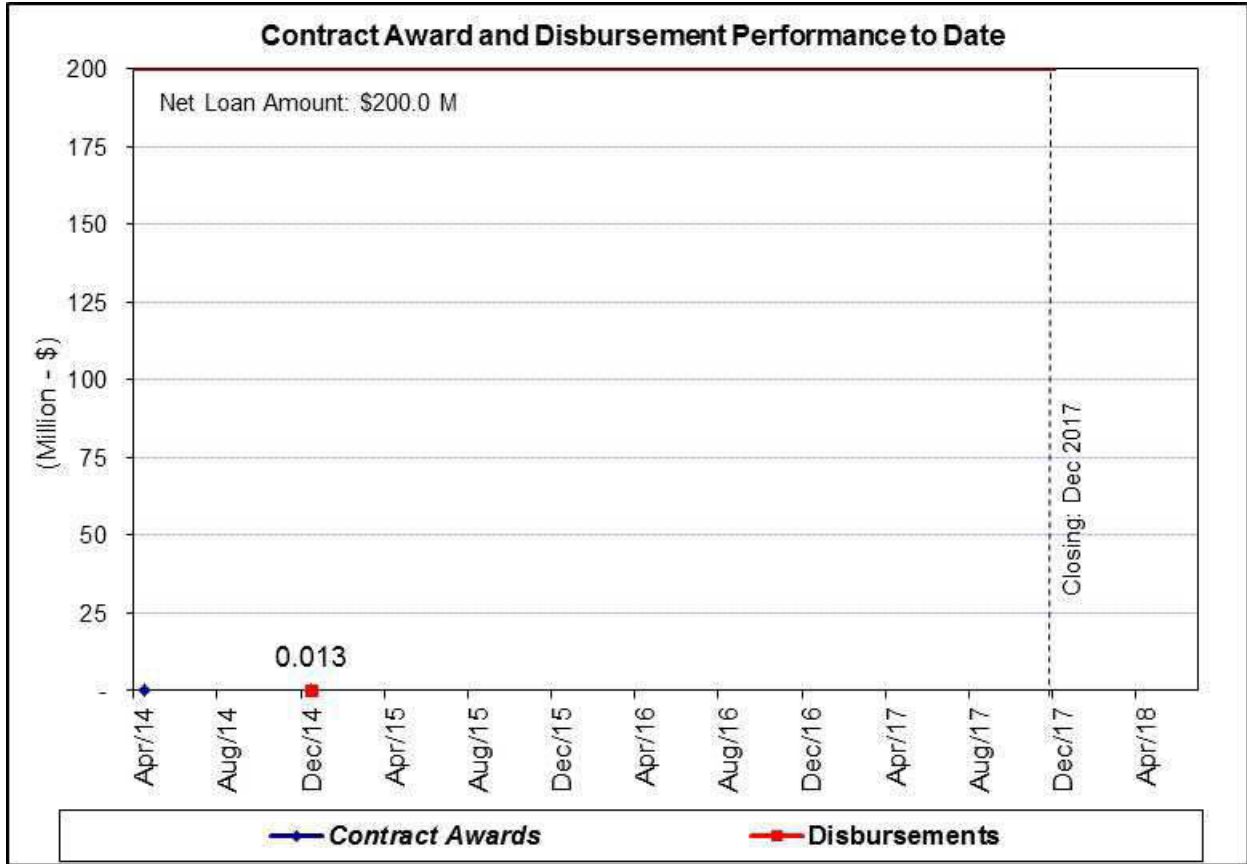
C- Project Description

The Project 2 (E35: Hasanabdal-Havellian Expressway) is part of national trade corridor. It will connect existing M1 at Hasanabadal to Havelian, and will further extend to Abbottabad and Mansehra to North. The Project is almost parallel with existing N5 which is being urbanized in many sections. Due to high traffic volume and deteriorated road condition, E35 is becoming necessary in order to improve the sub regional connectivity within Pakistan, and to China, Afghanistan and other central Asian countries.

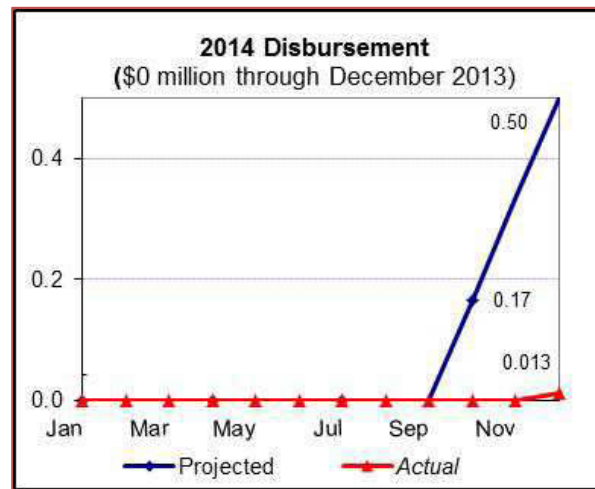
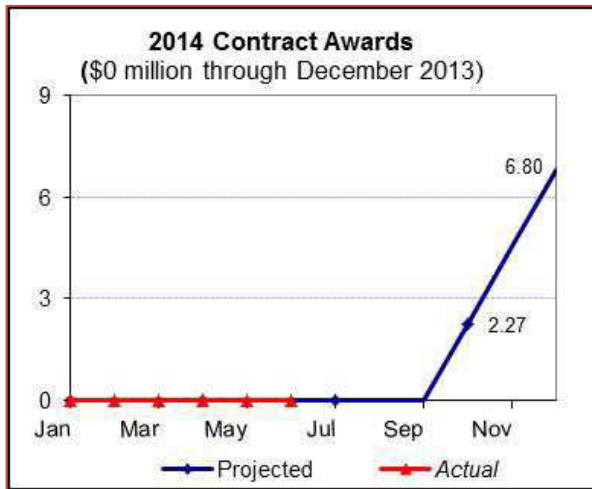
D- Project Monitoring Framework (Current Status)

| Outputs | Status with Key Activities | |
|---|---|--|
| | Target Indicators | Achievements/Status |
| Expressway connecting Hasanabadal and Sarai Saleh constructed and operational | <ul style="list-style-type: none"> By 2017: 39-km expressway constructed with pavement international roughness index of less than 3 m/km | The loan became effective on 11-Nov-2014. Contract has been awarded and work will commence soon. |
| NHA's institutional capacity in social safeguards improved | <ul style="list-style-type: none"> NHA's social safeguards implementation fully complied with ADB's Safeguards Policy Statement. At least 30 NHA staff trained on social and environmental issues | Social safeguards implementation is complied with the ADB's Safeguards Policy Statement. |

E- Contract Award and Disbursement Performance over Project Life



F- Contract Award and Disbursement Targets and Achievements in 2014



G- Action Plan discussed during CPR 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom | Update as of 31 Dec 2014 |
|---------|----------------------|---|-----------------|---------|---|
| 1 | Procurement of Works | ADB will respond to final technical bid evaluation report | 10 October 2014 | ADB | Civil works contracts have been signed on 31 December 2014. |

Loan 3197-PAK: MFF: National Trade Corridor Highway Investment Program-Tranche III

A- Loan Basic Data

\$ Million

| Approval Date | Signing Date | Effective Date | Closing Date | Closing Date (Revised) | Elapsed Time | Project Rating as of 31Dec 14 |
|-----------------|-----------------|-------------------|--------------|------------------------|-----------------|-------------------------------|
| 25-Nov-14 | Not yet signed | Not yet effective | 10-Dec-17 | | 3% | |
| Approved Amount | Net Loan Amount | Financing | EA/IA | Project Officer | Project Analyst | |
| 127.0 | 127.0 | OCR | NHA | D. Pyo | R. Tabernilla | |

B- Loan Financial Progress (As of 30 June 2014)

| Contract Award (Cumulative) | Un-contracted Loan Balance | Contract Award Performance % | Contract Award for 2014 | |
|-----------------------------|----------------------------|------------------------------|-------------------------|--------|
| | | | Projections | Actual |
| - | 127.0 | - | - | - |
| Disbursements (Cumulative) | Un-disbursed Loan Balance | Disbursement Performance % | Disbursements for 2014 | |
| | | | Projections | Actual |
| - | 127.0 | - | - | - |

C- Project Description

1. The Project is the third tranche of a multi-tranche financing facility for \$900 million to support the National Trade Corridor (NTC) Improvement Program. The National Trade Corridor Highway Investment Program (NTCHIP) aims to assist the Government of Pakistan in the implementation of its flagship initiative approved by the Government in 2005. The objective of NTCHIP is to develop and improve road connectivity along the main north-south national highway corridor that will support the national trade corridor (NTC). Transport sector efficiencies will be linked to policy reforms and action as identified and endorsed by the Government's reform agenda on NTC.

2. The Project under Tranche-IV will construct a 4-lane access-controlled expressway, with underpasses, drainage, flyover, and interchanges from Sarai Saleh to Havelian. The impact will be efficiency gain for road traffic operation along the National Trade Corridor. The outcome will be improved regional network for the movement of goods and people along E35 expressway.

D- Project Monitoring Framework (Current Status)

| Outputs | Status with Key Activities | |
|---|---|--|
| | Target Indicators | Achievements/Status |
| Expressway connecting Sarai Saleh and Havelian constructed and operational. | <ul style="list-style-type: none"> 19.1 km expressway constructed with pavement international roughness index of less than 3 mm/km | Invitation to bid was issued on 25 Nov 2014. |

E- Action Plan to be discussed during QPPR, Q4 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom |
|----------------|---------------------------------|---|-----------------|-----------------|
| 1 | Loan signing and effectiveness. | Complete all requirements on timely manner to get the loan effective. | 31 Apr 2015 | NHA/EAD/ ADB |

Loan 3134 -PAK: National Highway Network Development In Balochistan

A- Loan Basic Data

\$ Million

| Approval Date | Signing Date | Effective Date | Closing Date | Closing Date (Revised) | Elapsed Time | Project Rating as of 31Dec 14 |
|-----------------|-----------------|-------------------|--------------|------------------------|-----------------|-------------------------------|
| 27-Jun-14 | Not yet signed | Not yet effective | 31-Dec-18 | | 11% | |
| Approved Amount | Net Loan Amount | Financing | EA/IA | Project Officer | Project Analyst | |
| 195.0 | 195.0 | OCR | NHA | D. Pyo | R. Tabernilla | |

B- Loan Financial Progress (As of 30 June 2014)

| Contract Award (Cumulative) | Un-contracted Loan Balance | Contract Award Performance % | Contract Award for 2014 | |
|-----------------------------|----------------------------|------------------------------|-------------------------|--------|
| | | | Projections | Actual |
| - | 195.0 | - | - | - |
| Disbursements (Cumulative) | Un-disbursed Loan Balance | Disbursement Performance % | Disbursements for 2014 | |
| | | | Projections | Actual |
| - | 195.0 | - | - | - |

C- Project Description

- The project will rehabilitate 79 km of the existing two-lane road of ZhobMughal Kot (N50) and 128 km of the existing two-lane road of Qila SaifullahWaghum (N70) in Balochistan of Pakistan.
- The impact will be accessible, affordable, and safe road network in Balochistan and the outcome will be reduced transport cost from Balochistan to the political and industrial centers of the country

D- Project Monitoring Framework (Current Status)

| Outputs | Status with Key Activities | |
|--|--|----------------------------|
| | Target Indicators | Achievements/Status |
| Two-lane roads of Zhob-Mughal Kot and Qila Saifullah-Waghum rehabilitated | Total of 201 km roads rehabilitated by 2018 with IRI no higher than 4 (Zhob-Mughal Kot = 81 km and Qila-Saifullah-Waghum = 120 km) | Project not effective yet. |
| Community facilitation centers integrated into the improved mobility through rehabilitated project roads | 5 community facilitation centers developed along the project roads by 2018 | Project not effective yet. |

E- Action Plan to be discussed during QPPR, Q4 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom |
|----------------|--|---|-----------------|-----------------|
| 1 | Delay Loan signing and effectiveness. (Project was approved in June 2014) | Complete all requirements to get the loan signed and effective. | TBD | NHA/EAD/ ADB |

Loan 2742-PAK/2743-PAK(SF) Flood Emergency Reconstruction Project

A - Loan Basic Data

Loan 2742

\$ Million

| Approval Date | Signing Date | Effective Date | Closing Date | Closing Date (Revised) | Elapsed Time | Project Rating as of 30 Jun 14 |
|-----------------|-----------------|----------------|---|------------------------|---|--------------------------------|
| 30-Mar-11 | 14-Apr-11 | 26-May-11 | 30-Sep-14 | - | 90% | |
| Approved Amount | Net Loan Amount | Financing | EA/IA | Project Officer | Project Analyst | On Track |
| 600 | 541.814 | OCR | NHA, Sindh Irrigation Department, Sindh Works and Services Department | J. Ning | For Transport: K. Butt For Irrigation: Zubaida | |

Loan 2743

| Approval Date | Signing Date | Effective Date | Closing Date | Closing Date (Revised) | Elapsed Time | Project Rating as of 30 Jun 14 |
|-----------------|-----------------|----------------|-----------------------------|------------------------|-----------------|--------------------------------|
| 30-Mar-2011 | 14-Apr-2011 | 26-May-11 | 30-Sep-14 | | 93% | |
| Approved Amount | Net Loan Amount | Financing | EA/IA | Project Officer | Project Analyst | On Track |
| 50 | 47.716 | ADF | Sindh Irrigation Department | J. Ning | Zubaida | |

B- Loan Financial Progress

As of 31 Dec 2014

Loan 2742

| Contract Award (Cumulative) | Un-contracted Loan Balance | Contract Award Performance % | Contract Award for 2014 | |
|-----------------------------|----------------------------|------------------------------|-------------------------|---------|
| | | | Projections | Actual |
| 486.771 | 55.043 | 90 | 60.052 | 1.804 |
| Disbursements (Cumulative) | Un-disbursed Loan Balance | Disbursement Performance % | Disbursements for 2014 | |
| | | | Projections | Actual |
| 413.599 | 128.215 | 76 | 71.579 | 107.715 |

Loan 2743

| Contract Award (Cumulative) | Un-contracted Loan Balance | Contract Award Performance % | Contract Award for 2014 | |
|-----------------------------|----------------------------|------------------------------|-------------------------|--------|
| | | | Projections | Actual |
| 41.718 | 5.998 | 88 | 5.588 | - |
| Disbursements (Cumulative) | Un-disbursed Loan Balance | Disbursement Performance % | Disbursements for 2014 | |
| | | | Projections | Actual |
| 41.015 | 6.701 | 86 | 0.455 | 0.657 |

C- Project Description

1. The package comprises a \$650 million (\$600 million OCR and \$50 million ADF) emergency loan and \$4 million technical assistance to help meet urgent reconstruction priorities, focused on transport (primarily roads and bridges) and irrigation. The proposed assistance package has been designed according to the priorities of the damage and needs assessment (DNA) prepared by ADB and the World Bank, in collaboration with the federal and provincial governments and other development partners. It will result in the economic and social recovery from the floods.

2. The outcome of the Project will be to a) address 90% of the damages identified for national roads in the DNA report b) restore pre-flood irrigation systems with a water carrying capacity of 59 million cubic meters c) restore pre-flood employment level of men (9.2 million) in agriculture for Sindh d) restore pre-flood employment level of women (3.7 million) in agriculture for Sindh e) restore 81 major flood embankments (estimated length of 1,000 km).

3. The project is being implemented by two Executing Agencies (EAs), the National Highway Authority (NHA) and the Planning and Development Department of the Government of Sindh (PD&D). The PD&D has designated two Implementing Agencies (IAs), the Irrigation Department (ID) and the Works and Services Department (W&S) of the Government of Sindh, to implement the components that fall within their responsibility. Three Project Management Units (PMUs) have been established, one within the NHA, and one within each of the IAs, i.e. the ID and W&S. As per agreement reached with the Government, two Steering Committees (SCs) have been established, one each within the NHA and the PD&D.

D- Project Monitoring Framework (Current Status)

Transport

| Outputs | Status with Key Activities |
|---|---|
| <p>Transport (NHA) Repair, rehabilitate and reconstruct 793 km of completely and partially damaged National Highways</p> | <p>NHA component consists of major rehabilitation and reconstruction of 338 km and 5 bridges in addition to works completed under retroactive financing and advance contracting. The major works is implemented through 19 contracts (6 ICBs, 12 NCBs and 1 force account method) amounting to \$171 million.</p> <p>The physical progress of the NH component reached 70% by the loan closing on 30 September 2014. ADB supported Government's request for loan extension and the project was extended till 25 May 2015. As of 31 December 2014, the overall progress reached 79% against the revised planned progress of 88% in 90% of elapsed time. Of 19 awarded works, 7 projects have completed while rest are in progress. In terms of output achieved against the major rehabilitation and reconstruction works, 282 km and 5 bridges have physically been completed.</p> <p>All remaining projects are expected to complete by or before the loan closing date, of which critical sub-projects/works are three major hill slides on Kohala–Muzaffarabad Road S2 Package 1.</p> |

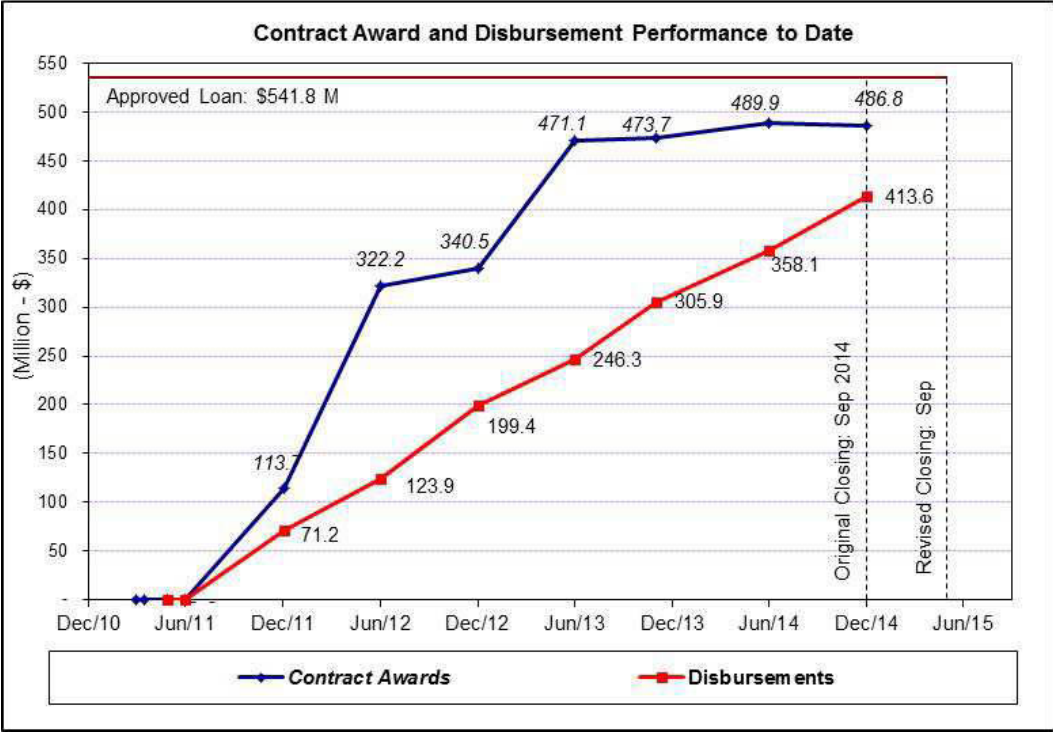
| | |
|---|--|
| <p>Transport (W&S Sindh) Repair, rehabilitate and reconstruct at least 800 km of Sindh provincial roads</p> | <p>All 51 civil works contracts have been completed (923 km of roads and 3 bridges) As of 31December 2014, the overall physical progress is 100%. The total disbursed amount is US\$ 113.4 Million, i.e. 88.3% of the total loan amount of US\$ 128 Million.</p> |
|---|--|

Irrigation

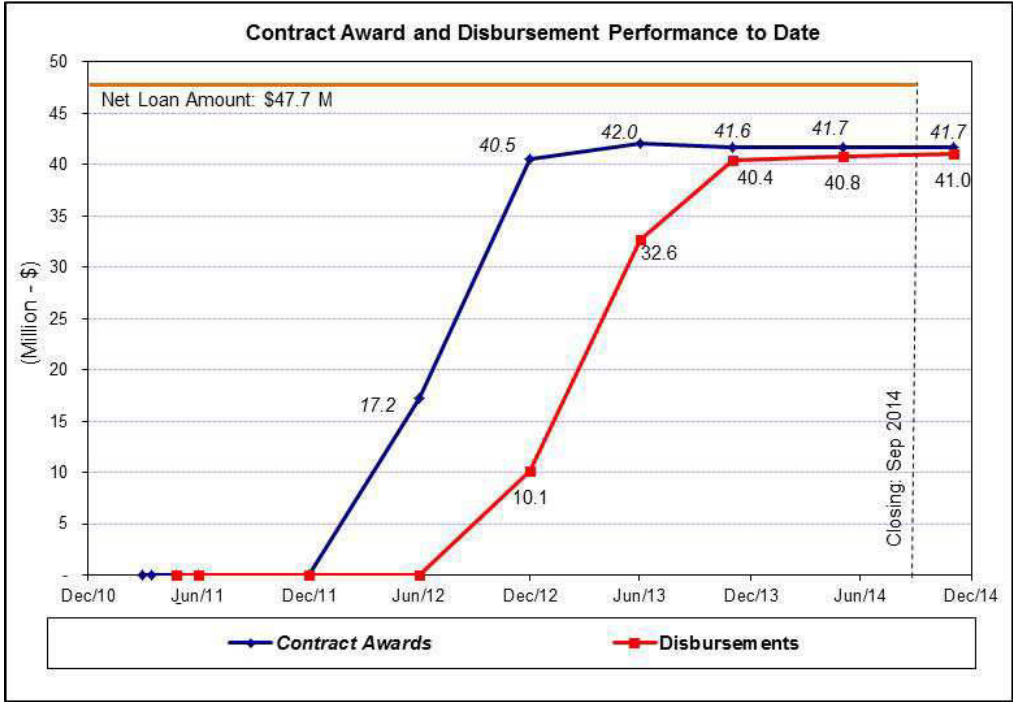
| Outputs | Status with Key Activities | |
|--|---|--|
| <p>1. Provincial Irrigation Facilities Rehabilitated and reconstructed</p> | Target Indicators | Achievements/Status |
| | <ul style="list-style-type: none"> ▪ Rehabilitate, strengthen, and re-section at least 90% of the selected flood protection embankments and irrigation infrastructure identified in the DNA ▪ Improve 1.5 million ha agricultural land affected by floods through rehabilitation/reconstruction of damaged flood embankments, canals, and drainage infrastructure | <ul style="list-style-type: none"> ▪ 109% of the selected infrastructure rehabilitated/strengthened/re-sectioned. ▪ 2.199 million ha agricultural land is improved |

E- Contract Award and Disbursement Performance over Project Life

Loan 2742

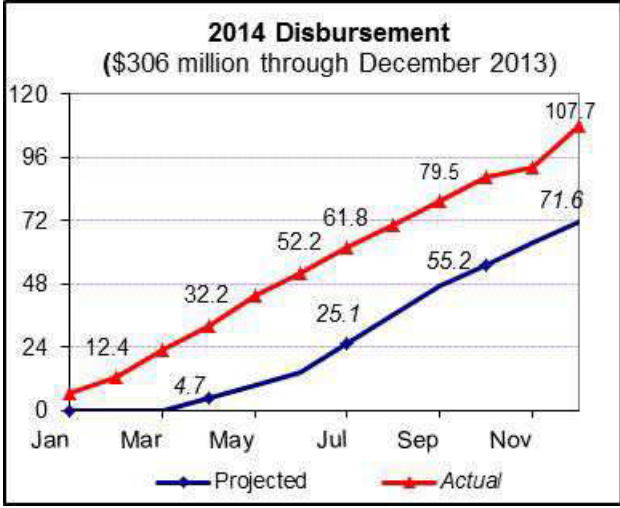
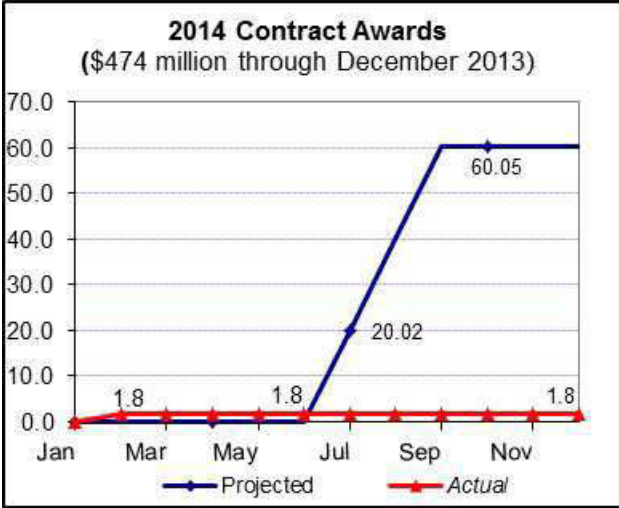


Loan 2743

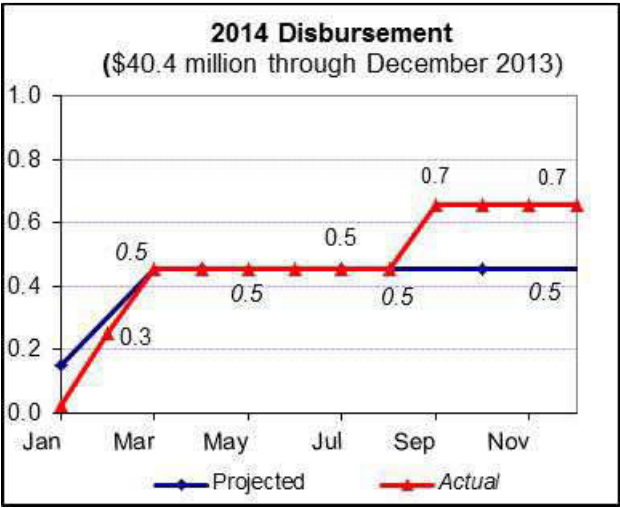
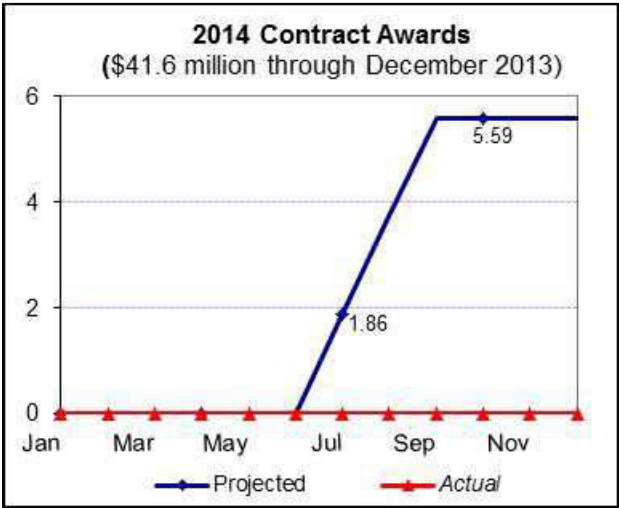


F - Contract Award and Disbursement Targets and Achievements in 2014

Loan 2742



Loan 2743



G- Status of Action Plan Agreed during CPR 2014

NHA

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom | Update as of 31 Dec 2014 |
|---------|---|--|---|--|--|
| 1 | Incomplete works by loan closure | NHA requested for extension of loan till May 2015 for completion of remaining works. It is also endorsed by MoC and EAD. ADB will respond to the proposed extension of loan | Within 2 weeks after receipt of request for extension from EAD | ADB | ADB concurred within 2 weeks, the request for loan extension. The loan was extended to 25 May 2015 |
| 2 | Deficient counterpart funding | <p>Clears contractors' liabilities from its own funds currently amounting to PKR 314.79 million;</p> <p>Ensure arranging balance counterpart funds through reallocation during PSDP first quarter's review in October 2014</p> <p>In case releases will not fully cover the required counterpart funds, assure deficient amount would be paid from NHA's own finances.</p> | <p>30 September 2014</p> <p>First quarter review of PSDP in October 2014</p> <p>Continued basis</p> | <p>NHA</p> <p>EAD, NHA, MoC, PD&R</p> <p>NHA</p> | <p>NHA cleared all contractor's liabilities from its own funds</p> <p>NHA cleared all contractor's liabilities by 31 December 2014 except for an amount of USD 0.1 million</p> |
| 3 | Design challenges on landslides on Kohala Muzaffarabad Road | Finalization of Design: Km-1 Old Slide Km-12 Km-3 New Slides | <p>Mid Oct 2014</p> <p>End Oct 2014</p> <p>Mid Nov 2014</p> | NHA | <p>Km-1 (Resolved in Nov 2014)</p> <p>Km-12 (Unresolved)</p> <p>Km-3 (Resolved in Dec 2014)</p> |

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom | Update as of 31 Dec 2014 |
|----------------|---|---|--|------------------------------|--|
| 4 | Modifications in contract and delayed payments to contractors | Submit all pending and critical VOs and EOT to ADB Pay all pending IPC's to contractors | Sept 2014 Upon clearance of VOs or/and on provisional basis | NHA, Consultants | Modifications for N-15 and S2 Package 1 are to be finalized based on ADB's comments and design approvals. The urban areas on Qazi Ahmed and Ranipur needs final approval. |
| 5 | Contract and construction Management | Critical projects requiring effective management: Ranipur Rohri 1, Hala Moro 3 and Kohala– Muzaffarabad Road | Continued in case of extension of project | NHA, consultants, contractor | NHA, Contractor and Consultants have effectively managed Ranipur Rohri 1 and Hala Moro 3. However, the hill slides on Kohala– Muzaffarabad Road Package 1 was not handled well by both consultants and NHA which has put these works on a critical path. |

Works and Services

| Sr. No. | Issue | Actions to be Taken | By When | By whom | Update as of 31 Dec 2014 |
|----------------|--------------------------------|---|--|----------------|---|
| 1 | Loan closing and balance works | Complete all remaining works and all outstanding issues related to contract administration be | Before loan closing on 30 September 2014 After loan | PMC and PMU | All physical works were completed by 30 September 2014. |

| | | | | | |
|---|---|--|----------------------|-------------|--|
| | | resolved Work done (including punch list items) after the loan closing date would be financed by the GoS from its own resources | closing | | |
| 2 | Handing over of all sub-projects to Chief Engineer (Highways) concerned | 20 sub-projects have been handed over to the Highways Department; ensure handing over of remaining 31 sub-projects | Before loan closing | PMC and PMU | All 51 sub-projects are already handed over to the highway department. |
| 3 | Release of remaining (2.5%) retention money against Bank guarantees | Submit Withdrawal Application (WA) for release of (the remaining) 2.5% retention money (against submission of Bank Guarantees) | by 30 September 2014 | PMC and PMU | Retention money of 48 sub-projects has been released. |
| 4 | Preparation of PCRs | ADB Project Completion Report (PCR) mission | Mid-Nov 2104 | EA and ADB | Completion Report is planned in Q2-2015. |

Irrigation

| Sr. No. | Issue | Actions to be Taken | By When | By whom | Update as of 31 Dec 2014 |
|---------|--------------------------|---|---|---------|--------------------------|
| 1 | Closing of loan accounts | Refund imprest account balance Loan 2742: \$632,237.02 Loan 2743: \$33,050.29 | Within winding up period of 4 months after loan closing | GoSindh | Not refunded yet |

H. Action Plan to be discussed during QPR Q4, 2014

NHA

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom |
|---------|---|--|---|--|
| 1 | Critical construction activity on three slides on KohalaMuzaffarabad Road Package 1; Km-1, Km-3 and Km-12 | <p>Submit and approve revise VO of Km-1 after incorporating ADB's comments</p> <p>Submit and approve revise VO of Km-3</p> <p>Construction should follow the proposed work methodology and works on Km-1 and Km-3 should complete</p> <p>Complete resettlement process on Km-12 (i) complete ongoing assessments and negotiations; (ii) preparation and approval of addendum to RP; (ii) approval and release of funds; (iii) payment to DPs and verification by consultants; (iv) construction to commence</p> <p>Construction should follow the proposed work methodology and complete</p> | <p>23 Jan 2015</p> <p>30 Jan 2015</p> <p>25 May 2015</p> <p>23 Jan 2015</p> <p>26 Jan - 30 Jan 2015</p> <p>10 Feb 2015</p> <p>15 Feb 2015</p> <p>20 Feb 2015</p> <p>20 May 2015</p> | <p>NHA, Consultants and ADB</p> <p>NHA, Consultants and ADB</p> <p>Contractor and Consultants</p> <p>NHA and ADB</p> <p>Contractor and Consultants</p> |
| 2 | Complete Urban Areas in Ranipur and Qazi Ahmed | NHA and Engineer should finalize all pending decisions which have slowed the progress of works. | 31 Jan 2015 | NHA and Consultants |
| 3 | Defects on Sarhad Bypass | Defects to be rectified as per stipulations of the conditions of contracts or as the case may be. | Within the loan closure period for release of payment from loan | NHA |

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom |
|----------------|--|--|---|---------------------------------|
| 4 | Audit Report | Submit Audit Reports | Immediately | NHA, EAD, AGP |
| 5 | Ambiguities in NHA practice and conditions of contracts related to contract closure activities | NHA and consultants should maintain a strict diligence on contract closure activities as per conditions of contract including taking over, tests on completions, release of retention money, start of defect liability periods, program and period of rectification of defects and action in case of failure to non-comply | Ongoing however should complete within the winding up period of 4 months after loan closure for release of payments | NHA, consultants and contractor |

Works and Services

| Sr. No. | Issue | Actions to be Taken | By When | By whom |
|----------------|---|---|----------------|----------------|
| 1 | Submission of EA's PCR | PMU will submit PCR on agreed format | 31 Jan 2015 | PMU |
| 2 | Release of remaining (2.5%) retention money against Bank guarantees | Retention money of remaining 3 contractors will be released within January 2015. | 31 Jan 2015 | PMU |
| 3 | Submission of remaining final IPCs of civil works contracts. | Ensure to submit final IPCs of remaining 8 contracts. | 31 Jan 2015 | PMU |
| 4 | Refund imprest account balance and closing of Imprest account | PMU will calculate the remaining amount in the imprest account once the remaining 8 final IPCs. | 28 Jan 2015 | PMU |

Irrigation

| Sr. No. | Issue | Actions to be Taken | By When | By whom |
|----------------|--------------------------|---|---|----------------|
| 1 | Closing of loan accounts | Refund imprest account balance Loan 2742: \$632,237.02 Loan 2743: \$33,050.29 | Within winding up period of 4 months after loan closing i.e. 31 Jan 2015. | GoSindh |

Loan 2499-PAK: MFF Sindh Cities Improvement Investment Program Tranche I

A- Loan Basic Data

\$ Million

| Approval Date | Signing Date | Effective Date | Closing Date | Closing Date (Revised) | Elapsed Time | Project Rating as of 31Dec 14 |
|-----------------|-----------------|----------------|----------------|------------------------|-----------------|-------------------------------|
| 19-Dec-08 | 6-Feb-09 | 6-Mar-09 | 31-Dec-12 | 30-Jun-14 | 109% | |
| Approved Amount | Net Loan Amount | Financing | EA/IA | Project Officer | Project Analyst | On Track |
| 38.00 | 39.412 | ADF | PSU,GoS, NSUSC | M. Shafi | Charles Flex | |

GoS = Government of Sindh, NSUSC = North Sindh Urban Services Corporation PSU=Program Support Unit

B- Loan Financial Progress (As of 31December 2014)

| Contract Award (Cumulative) | Un-contracted Loan Balance | Contract Award Performance % | Contract Award for 2014 | |
|-----------------------------|----------------------------|------------------------------|-------------------------|--------|
| | | | Projections | Actual |
| 38.251 | 0.827 | 98 | 1.449 | 0.638 |
| Disbursements (Cumulative) | Un-disbursed Loan Balance | Disbursement Performance % | Disbursements for 2014 | |
| | | | Projections | Actual |
| 38.012 | 1.066 | 97 | 8.202 | 6.849 |

C- Project Description

1. Sindh Cities Improvement Investment Program (SCIIP) aims to improve water supply, wastewater management, and solid waste management services in clusters of secondary cities in Sindh Province, benefitting an estimated four million urban residents by 2018. The combination of physical and non-physical investments under the Program aims to improve quality, continuity and coverage of urban infrastructure services in water supply, wastewater and SWM, while incentivizing and supporting effective management and sustainable financing of urban service providers. This in turn should help improve quality of life for residents in Sindh's provincial cities, including the poor, and address growing regional development imbalances within Sindh Province.

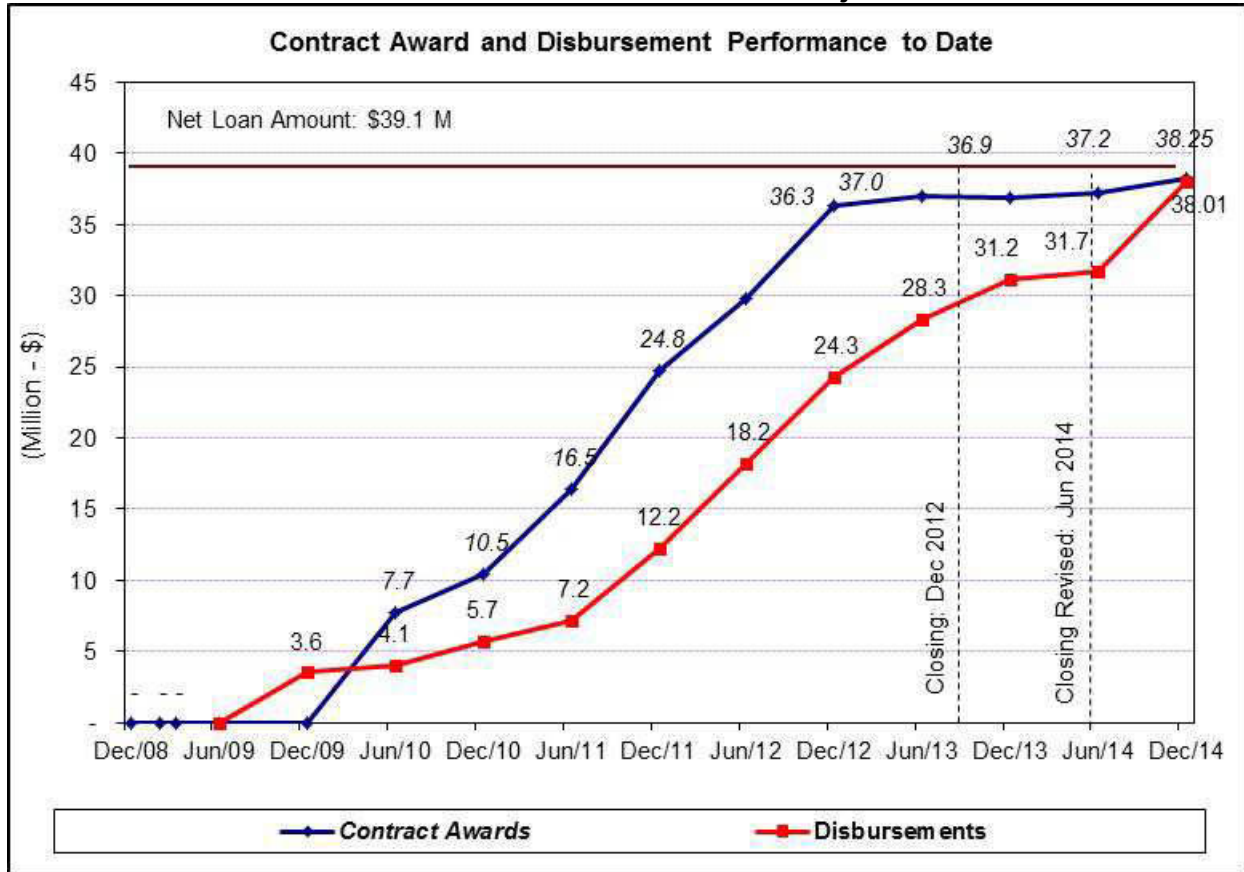
2. The Project's outcome will be increased quality, reliability, and coverage of water supply, wastewater, and solid waste management services in participating towns. It will result in a) an increase from average 37% in 2008 to 52% by 2014 the population served by household water connections, b) an increase of average hours per day of water supply from 3 hours in 2008 to over 6 hours by 2014 and c) drainage benefits for 100,000 households.

D- Project Monitoring Framework (Current Status)

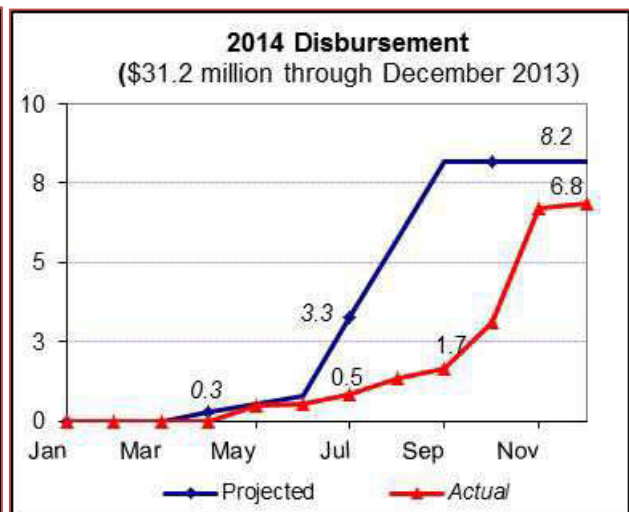
| Outputs | Status with Key Activities |
|--|--|
| Creation of effective and sustainable urban services providers | Professional regional water and sanitation utility company established in North Sindh and providing services to all 6 towns as of 1 January 2011 consisting of Sukkur, New Sukkur, Rohri, Khairpur, Shikarpur and Larkana Collection rates and billing increasing, and improved customer satisfaction based on survey results. |

| Outputs | Status with Key Activities |
|--|--|
| Establishment of urban policy and strategic planning unit (urban unit) | Urban directorate established and planning processes for interior Sindh being undertaken (2012). <i>Base Maps for all 6 Towns are updated.</i> Digitized maps for 6 participating towns in North Sindh made publicly available by end 2012. City development strategies for Sukkur and Larkana completed. |
| Improved water supply, wastewater and solid waste management services in participating towns | Percentage of solid waste collected increases on average from 19% in 2008 to at least 80% by 2014 – Target being achieved. Over 18,000 households with access to potable water available >20 hours day in 6 distribution network improvement zones by 2014. Commenced works in January 2013, however the work could not be completed before the loan closing date of 30 June 2014– remaining works will be undertaken under Tranche 2 under a separate contract. 6,000 households in Rohri with improved water supply at intake by 2014. Intake improved and pipelines completed. Treatment plant under TRANCHE II Over 27,500 households in Khairpur with improved sewage flow and wastewater stabilization by 2014. Completed |

E- Contract Award and Disbursement Performance over Project Life



F- Contract Award and Disbursement Targets and Achievements in 2014



G- Status of Action Plan Agreed during CPR 2014 (incorporating recommendations of Review Mission of 18–19 September 2014)

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom | Update as of 31 Dec 2014 |
|---------|---|--|---|--------------------------------------|--|
| 1 | New BoD members were not appointed; old BoD continue to hold meetings, however, key decisions were still not addressed | Approval of new independent BoD members | 15 Nov 2014 | GoS | The old BoD has resigned and the new BoD has been nominated and is currently going through the process of appointment under SECP rules (to be completed by 15 Jan 2015) |
| 2 | Matter of Rohri landfill site land transfer is still pending with CM for approval of payments and transfer | Transfer from the Department of Mines to NSUSC | 15 Oct 2014 | Department of Mines / NSUSC | No progress – the payment is still pending. Possession given but land not transferred. |
| 3 | <p>Contract variation for ICB#3 is still not submitted to ADB. NSUSC was given a deadline to submit this by 30 June 2014 to be eligible for ADB financing.</p> <p>ICB#4 invoices cleared by independent verifier. Withdrawal application is yet to be submitted to ADB.</p> <p>In addition contract variations related to GST and SST have also not been submitted.</p> | <p>Approval of the contract variations ICB#3, and ICB#4 payments for verified works.</p> <p>Submit Withdrawal</p> <p>Submit contract variations.</p> | <p>26 Sep2014</p> <p>30 Sep2014</p> <p>30 Sep2014</p> | <p>BoD</p> <p>NSUSC</p> <p>NSUSC</p> | <p>Contract variation submitted and approved – payment made.</p> <p>Contract variation provided and payment made but contract could not be completed before loan closure on 30 June 2014</p> |
| 4 | Outstanding payments on completed works and existing contracts | Resolution and settlement of | 30 Sep2014 | NSUSC | Completed. Remaining payment will be |

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom | Update as of 31 Dec 2014 |
|---------|---|---|---|--------------|---|
| | | <p>issues on ICB#3, ICB#4 and other contracts</p> <p>Settle all outstanding MMP payments and submit to ADB</p> <p>Settle all outstanding Brisbane City payments for work and submit to ADB</p> <p>Submission of June and July 2013 verified OSF invoices to ADB for liquidation</p> <p>Submit all outstanding WAs</p> | <p>30 Sep 2014</p> <p>10 Oct 2014</p> <p>22 Sep 2014</p> <p>15 Oct 2014</p> | | <p>made by the government.</p> |
| 5 | <p>Land acquisition payment on Shikarpur landfill still pending approval of the CM for payment.</p> | <p>Finalize land acquisition payment</p> | <p>30 Sep 2014</p> | <p>NSUSC</p> | <p>Partial payments made. Safeguard completion report due and remaining payment approved but not made – by 31 March 2015.</p> |
| 6 | <p>Payment of SST still pending.</p> | <p>Payment of the SST, collected by NSUSC (100 M Rupee) under ICB#3 to the respective Sindh Government</p> | <p>30 Sep 2014</p> | <p>NSUSC</p> | <p>Payment cleared</p> |

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom | Update as of 31 Dec 2014 |
|---------|---|---|----------------------------|---------|---|
| | | Agency responsible for SST | | | |
| 7 | GST and SST payments: Contract variation to include SST for KSB Pumps contract (PCSS 0036) was approved by ADB. However, copy of the signed variation is not yet submitted to ADB | GST and SST payments and contract variations. Submit to ADB | 30 Sep2014 | NSUSC | Variation received and payments made. |
| 8 | Audit Reports | Submit Audit reports: For FY 2012 For FY 2013 | 30 Sep 2014 30 Oct 2014 | NSUSC | Overdue. Has to be approved by the new BoD. |
| 9 | Loan Account Closure | Liquidate the outstanding imprest balance | 31 Oct 2014 | ADB | Completed |
| | | Refund of unspent Imprest Advance to ADB | 31 Dec 2014 | NSUSC | Overdue sine 31 December 2014. About \$1 million imprest balance to be refunded. Request from PMU to be sent to P&D and Finance |

H. Action Plan to be discussed during QPR Q4, 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom |
|---------|--|--|----------|---------|
| 1 | Land acquisition payment on Shikarpur landfill still pending approval of the CM for payment. | Finalize land acquisition payment | TBD | NSUSC |
| 2 | Loan Account Closure | Refund of unspent Imprest Advance to ADB | TBD | NSUSC |

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom |
|----------------|--|---|-----------------|-----------------------------|
| 3 | Submission of Audit Reports | Submit Audit reports: For FY 2012-13 For FY 2013-14 | Immediate | NSUSC |
| 4 | Matter of Rohri landfill site land transfer is still pending with CM for approval of payments and transfer | Transfer from the Department of Mines to NSUSC | TBD | Department of Mines / NSUSC |

Loan 2975-PAK & 2976-PAK (SF): MFF Sindh Cities Improvement Investment Program Tranche II

A- Loan Basic Data

\$ Million

| Approval Date | Signing Date | Effective Date | Closing Date | Closing Date (Revised) | Elapsed Time | Project Rating as of 31Dec 14 |
|-----------------|--------------------------------|----------------|--------------------|------------------------|-----------------|-------------------------------|
| 18-Dec-12 | 8-May-13 | 30-Jul-13 | 31-Aug-17 | – | 43% | |
| Approved Amount | Net Loan Amount | Financing | EA/IA | Project Officer | Project Analyst | Potential Problem |
| 99.1 | 25.10 74.29 Total: 99.39 | OCR ADF | PSU, GoS, NSUSC | M. Shafi | Charles Flex | |

GoS = Government of Sindh, NSUSC = North Sindh Urban Services Corporation PSU=Program Support Unit

B- Loan Financial Progress (As of 31December2014)

Loan 2575-PAK

| Contract Award (Cumulative) | Un-contracted Loan Balance | Contract Award Performance % | Contract Award for 2014 | |
|-----------------------------|----------------------------|------------------------------|-------------------------|--------|
| | | | Projections | Actual |
| 1.859 | 23.241 | 7 | 2.363 | 1.859 |
| Disbursements (Cumulative) | Un-disbursed Loan Balance | Disbursement Performance % | Disbursements for 2014 | |
| | | | Projections | Actual |
| 1.463 | 23.637 | 6 | 1.682 | 1.448 |

Loan 2576-PAK(SF)

| Contract Award (Cumulative) | Un-contracted Loan Balance | Contract Award Performance % | Contract Award for 2014 | |
|-----------------------------|----------------------------|------------------------------|-------------------------------|--------|
| | | | Projections | Actual |
| 5.630 | 64.658 | 8 | 6.945 | 5.630 |
| Disbursements (Cumulative) | Un-disbursed Loan Balance | Disbursement Performance % | Disbursements for 2014 | |
| | | | Projections | Actual |
| 4.236 | 66.052 | 6 | 5.050 | 4.236 |

C- Project Description

1. Under the SCIP Multitranchise Financing Facility (MFF) ADB will provide \$300 million equivalent, over a ten year period to 2018, to finance the Government of Sindh's (GoS) \$400 million program to improve water supply, wastewater management, and solid waste management services in clusters of secondary towns. SCIP supports (i) establishment of local government-owned, professionally managed utility companies; (ii) priority investment in water supply, wastewater, and solid waste management infrastructure; and (iii) urban sector reforms and capacity development, including an Urban Policy and Strategic Planning Directorate (Urban Directorate) at provincial level and overall program implementation.

2. The project under second tranche will enhance quality, reliability, and coverage of water supply, wastewater, and solid waste management services in participating towns (Sukkur, New Sukkur, Rohri and Khairpur). The project will result in an increase in i) population with household water connections to 65% by 2016 from 40% in 2012; ii) access to water distribution network from 37% in 2012 to 80%; iii) average hours per day of water supply from 4 hours in

2012 to over 10 hours for 65% of population by 2016 and iv) access to secondary solid waste management services from 65% in 2012 to 85% by 2016

D- Project Monitoring Framework (Current Status)

| Outputs | Status with Key Activities |
|--|---|
| <p>NSUSC provides effective and more sustainable services in participating towns</p> <p>Performance-based contracts between NSUSC and private operators for landfill site design, build and operate by 2016</p> <p>Increase in recovery of operation and maintenance cost through user charges from 1% in 2012 to at least 10% by 2016 in Sukkur, New Sukkur, Rohri and Khairpur</p> <p>NRW reduced from 60% in 2012 to 35% by 2016 in Sukkur, New Sukkur, Rohri and Khairpur</p> | <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> |
| <p>More informed urban policies and planning</p> <p>Land use base map for municipal services in digitized form for 8 participating towns in north Sindh publicly available by 2013</p> <p>Master plans of central Sindh six cities water/wastewater by June 2013</p> <p>Digitized maps of central Sindh cluster by June 2013</p> | <p>Maps for six cities completed</p> <p>Master plans for six cities completed</p> <p>Draft digitized maps of six cities available</p> |
| <p>Timely and transparent operations support funding for NSUSC to cover eligible shortfall</p> <p>NSUSC monthly staff payroll met by December 2012</p> <p>NSUSC suppliers paid as agreed by June 2013</p> | <p>Funds transfer for staff pays is regular, but previous back log not settled. Funds approved to clear backlog but not reconciled or released</p> <p>Counterpart funds approved but remain unpaid.</p> |

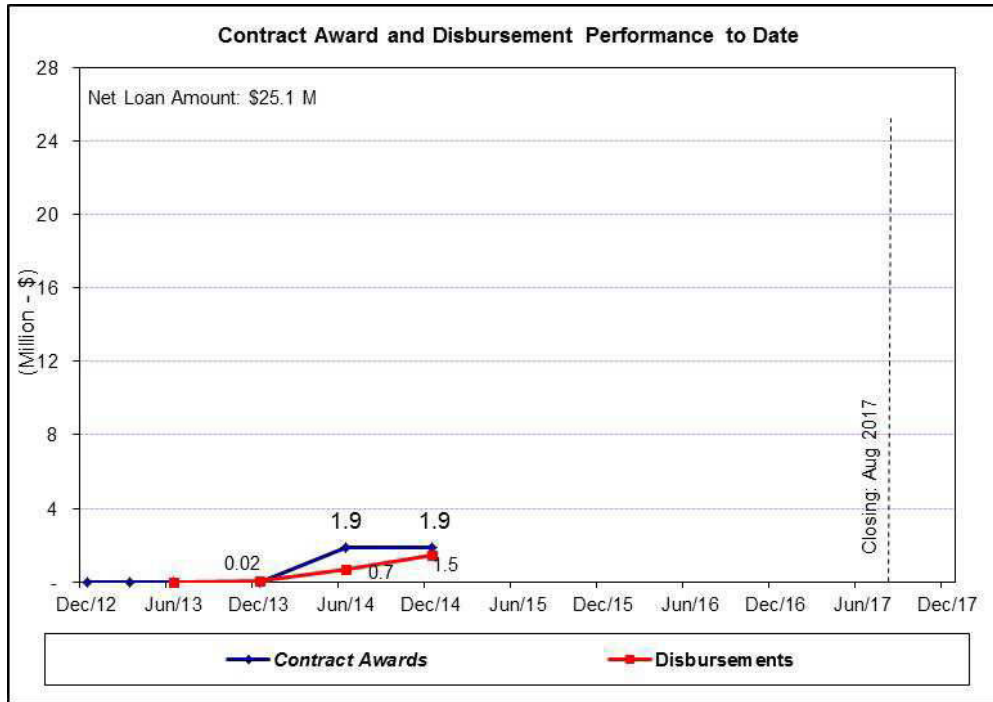
| Outputs | Status with Key Activities |
|---|--|
| <p>Electricity bills paid as agreed by December 2014 after reconciliation and meter installation in eight town</p> | <p>Ongoing. Working committee set up comprising Finance Department, PSU, NSUSC and SEPCO to resolve the issue. Reconciliation completed for Sukkur and Rohri by NSUSC and SEPCO. Other regions in progress and still not completed – has to be taken up by GoS. Payment is regular on monthly basis.</p> <p>The replacement of faulty meters is completed in 4 towns - all 100% of the faulty meters have been replaced, including 13 new transformers and in the 2 remaining towns will need to progress.</p> |
| <p>Improved water supply, wastewater and solid waste management services in participating towns</p> <p>Additionally 12,000 households in Sukkur with improved water supply through 4 DNIs by 2014</p> <p>Additionally 9,000 households in Khairpur with improved water supply through 3 DNIs by 2014</p> <p>Increased intake capacity to 40 MGD at river Indus by March 2014</p> | <p>DNI work to be completed by early June 2014</p> <p>DNI work to be completed by early June 2014</p> <p>Delayed – Contract was awarded in January 2014. However work has not started as the firm is late in completing the EMP (August 2014). In addition the contractor will not start work until the supervision consultants are hired. The work is expected to start in November 2014 now.</p> |

| Outputs | Status with Key Activities |
|--|---|
| Increased and improved access to sewerage system network and disposal in Larkana and Shikarpur to 70,000 households from 30% in 2008 to 65% in 2016 | Procurement process in initial stages. |
| <p>Percentage of solid waste collected increases in Ghotki on average from 7% in 2012 to at least 80% by 2015.</p> <p>50% of all domestic customers surveyed through CRC are women</p> <p>Public satisfaction about the following services increased by about 20% in December 2014 above Citizen Report Card survey base line conducted in December 2012:</p> <ul style="list-style-type: none"> - Water supply and solid waste services in Sukkur - Sewerage in New Sukkur - Water supply services and solid waste services in Rohri - Sewerage services in Khairpur, Shikarpur and Larkana | <p>Procurement process in initial stages.</p> <p>TBD</p> <p>TBD by the end of 2014 during T1 completion review</p> |
| <p>Management structure and capacity for WSS operations improved</p> <p>NSUSC technical, financial, and operational efficiency improvement (business process, systems, training) by 2014</p> <p>80% of NSUSC management and operational staff trained in gender sensitive planning and implementation by 2015</p> <p>Sex-disaggregated consumer data base developed and implemented with efficient customer care system by 2013</p> <p>Financial management system and business processes developed and implemented in all regional offices and head offices by 2013</p> <p>IPPMS and IBNet benchmarking system in place and performance benchmarking developed and implemented (annual) by 2014</p> <p>Gender sensitive communication strategy developed, and implementation by 2013</p> | <p>Consultants to be hired ongoing.</p> <p>No progress in the reporting period</p> <p>Delayed to be completed by December 2014</p> <p>Ongoing to be completed in June 2014</p> <p>Delay in output based budgeting and performance benchmarking due to delayed recruitment of consultants.</p> <p>Not done</p> |

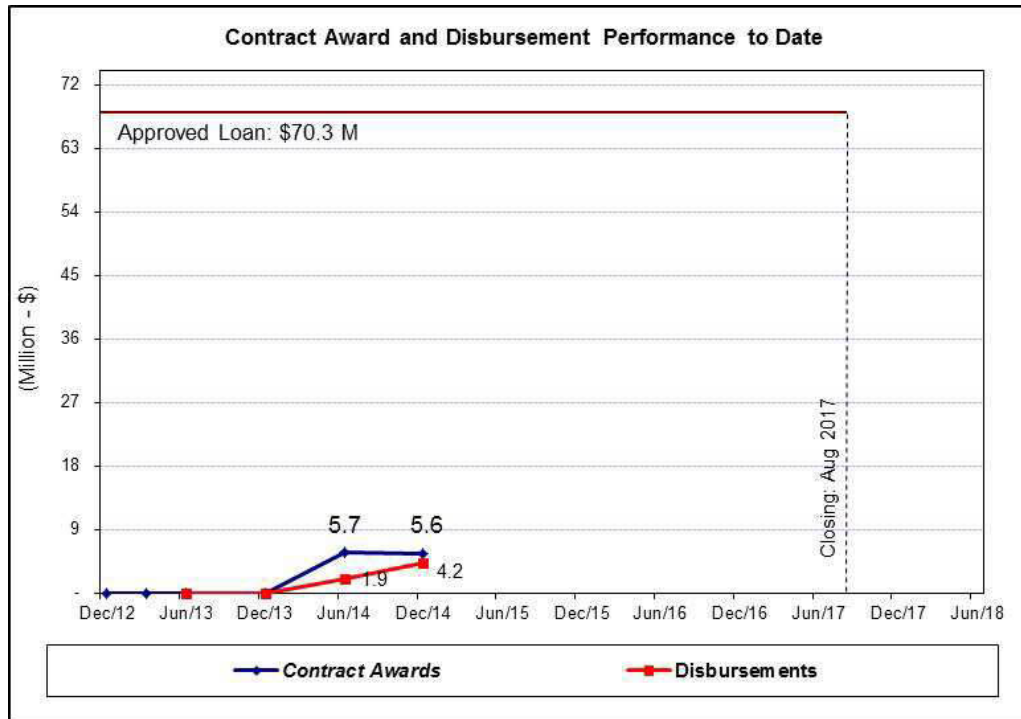
| Outputs | Status with Key Activities |
|--|--|
| <p>Reorganization and restructuring of NSUSC completed by 2013</p> <p>O&S system procedures and facilities developed and implemented for SWM, water and wastewater assets and operations by 2014</p> | <p>Restructuring plan approved. Senior management removed in December 2013. Replacement staff recruitment with manager level staff hired. Acting MD in place and MD and Directors Operations shortlisting summary for approval of CM. To be finalized by end June 2014. New Board not approved.</p> <p>On-going. Will be completed by TRANCHE II consultants currently being hired – hiring to be completed by Oct 2014.</p> |

E- Contract Award and Disbursement Performance over Project Life

Loan 2975-PAK

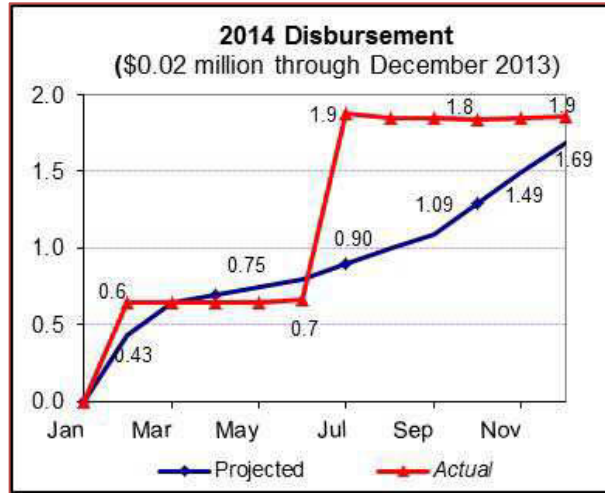
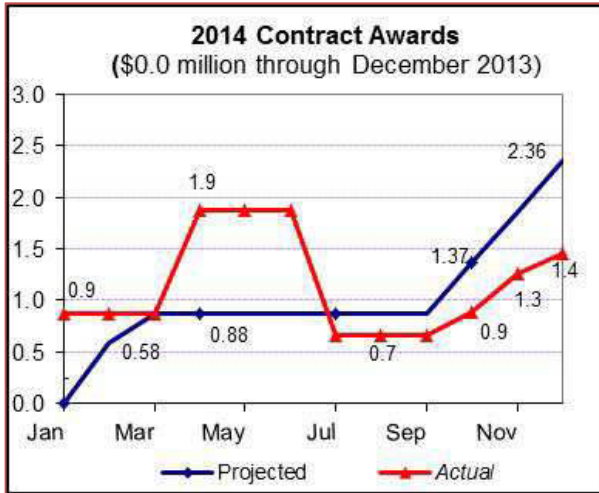


Loan 2976-PAK (SF)

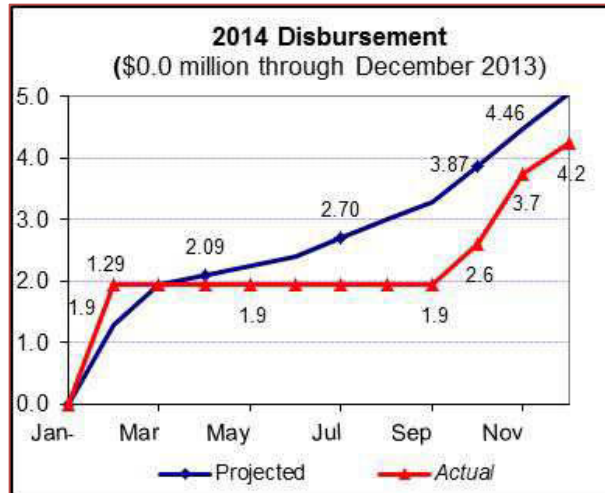
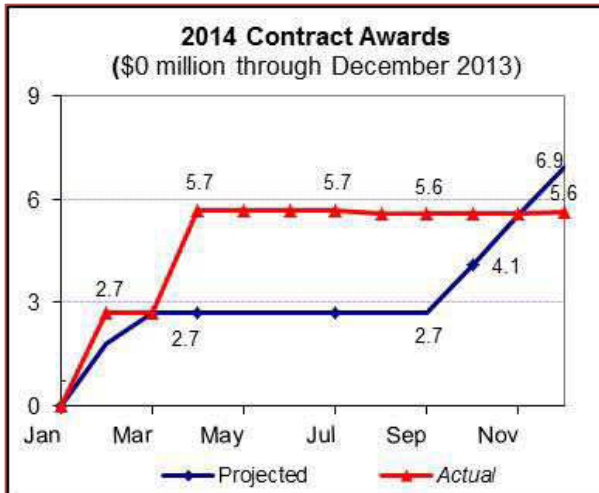


F- Contract Award and Disbursement Targets and Achievements in 2014

Loan 2975-PAK



Loan 2976-PAK(SF)



G- Status of Action Plan Agreed during CPR 2014 2014 (incorporating recommendations of Review Mission of 18–19 September 2014)

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom | Update as of 31 Dec 2014 |
|----------------|--|---|--------------------------------|----------------|--|
| 1 | New BoD members were not appointed; old BoD continue to hold meetings, however, key decisions were still not addressed | Approval of new independent BoD members | 30 Sep 2014 | GoS | New BoD appointed |
| 2 | Delays in Appointment | Appointment of all the NSUSC mid-level management team staff (manager and below) | 15 Oct 2014 | BoD, NSUSC | All directors and managers appointed. MD appointment pending with CM. Director capital works also pending – MD by 28 Feb and Director Capital works by 31 March 2015 |
| 3 | Annual Operations Plan | Approval of the Annual Operating Plan (2014-2015) by BoD and submission of the approved OSF (2014-2015) to ADB | 30 Sep 2014 | BoD / NSUSC | Pending approval of new Board – by 31 Jan 2015. |
| 4 | Performance Monitoring: Consultants could not be hired for this under tranche 1, | Submit to ADB request for reallocation of funds under Tranche 2, for recruitment of 2 individual consultants to undertake benchmarking for Key Performance Indicators | 15 Oct 2014 | PSU | Request received by ADB to be agreed and discussed during the next mission March 2015. |
| 5 | Revision in SAMAs | Submit draft revised SAMA agreements to ADB. Submit agreements to GoS for approval by | 30 Sep 2014 30 Oct 2014 | PSU | Still pending – overdue. To be discussed during the next mission in |

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom | Update as of 31 Dec 2014 |
|---------|--|---|---|--------------------------------|--|
| | | | | | March 2015. |
| 6 | Revised Tariff schedules | Committee appointed by the BoD to submit their recommendation on revised tariff schedules to GoS | 30 Oct 2014 | Committee appointed by the BoD | Pending approval of new BoD that will appoint a new committee for tariff revision |
| 7 | Outstanding payments | Submission of August to December 2013 verified OSF invoices for liquidation and replenishment to ADB | 22 Sep 2014 | NSUSC | OSF cleared up to June 2014. |
| | Long overdue actions on Procurement related issues. | CPC to take decisions on all pending procurement actions, which are detailed in Appendix 2 of the Loan Review Mission (18-19 Sep 2014) | 30 Sep 2014 | CPC | Procurement still delayed. CPC has starting functioning but quality still weak. |
| 8 | Long overdue actions on issues related to consulting services contracts. | CPC to take actions on all pending consultant recruitment actions (Appendix 2) | 30 Sep 2014 | CPC | First submission for 2 design and construction consultants received, one cleared. |
| 9 | Project Implementation as Agreed with ADB Mission | Implement the project procurement and consultant recruitment according to the agreed workplan timelines, as indicated in Appendix 2 which is to be finalized with PSU and monitored by PSU as well as P&DD, GoSindh. The monitoring of agreed actions as outlined in Appendix 2 shall be done and report provided to ADB and GoSindh, by PSU | On continued basis. On Fortnightly basis - for the next three months | PSU, NSUSC, P&DSD PSU | Major delays in works procurement. Only 2 BER for Supply contracts received, and only one works contract awarded – all remaining works and supply contracts overdue. Delay in management consultants hiring (first |

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom | Update as of 31 Dec 2014 |
|---------|--------------|--|-------------|---------|--|
| | | | | | submission still pending) |
| 10 | Audit Report | Submission of the overdue 2013 audit for Tranche 2 | 30 Oct 2014 | NSUSC | Overdue Submitted to the new Board – approval by 31 January 2015 |

H. Action Plan to be discussed during QPR, Q4, 2014

| Sr. No. | Issue | Action to be Taken | Due Date | By Whom |
|---------|--|--|-----------|--------------------------------|
| 1 | Audit Report | Submission of the overdue 2013 audit for Tranche 2 | Immediate | NSUSC |
| 2 | Major delays in works procurement. Only 2 BER for Supply contracts received, and only one works contract awarded – all remaining works and supply contracts overdue. Delay in management consultants hiring (first submission still pending) | All remaining procurements to be completed by end of second quarter. | 30 Jun 15 | PSU, NSUSC |
| 3 | Long overdue actions on Procurement related issues. | CPC to take decisions on all pending procurement actions, which are detailed in Appendix 2 of the Loan Review Mission (18-19 Sep 2014) | TBD | CPC |
| 4 | Revised Tariff schedules | Committee appointed by the BoD to submit their recommendation on revised tariff schedules to GoS | TBD | Committee appointed by the BoD |
| 5 | Revision in SAMAs | Submit draft revised SAMA agreements to ADB. Submit agreements to GoS for approval by | TBD | PSU |
| 6 | Annual Operations Plan(AOP) yet not approved. Pending board's approval. | Approval of the AOP (2014-2015) by BoD and submission of the approved OSF (2014-2015) to ADB | TBD | BoD / NSUSC |

Loan 3049-PAK(SF): Social Protection Development Project

A- Loan Basic Data

\$ Million

| Approval Date | Signing Date | Effective Date | Closing Date | Closing Date (Revised) | Elapsed Time | Project Rating as of 31Dec 14 |
|-----------------|-----------------|----------------|--------------|------------------------|-----------------|-------------------------------|
| 22-Oct-13 | 25-Nov-13 | 24-Jun-14 | 30-Jun-19 | – | 21% | |
| Approved Amount | Net Loan Amount | Financing | EA/IA | Project Officer | Project Analyst | |
| 430.0 | 413.355 | ADF | BISP | V. Auwera | E. Aquino | |

B- Loan Financial Progress

As of 30 June 2014

| Contract Award (Cumulative) | Un-contracted Loan Balance | Contract Award Performance % | Disbursements for 2014 | |
|-----------------------------|----------------------------|------------------------------|------------------------|--------|
| | | | Projections | Actual |
| 18.170 | 395.185 | 4 | 0.135 | 18.170 |
| Disbursements (Cumulative) | Un-disbursed Loan Balance | Disbursement Performance % | Disbursements for 2014 | |
| | | | Projections | Actual |
| 68.176 | 345.179 | 16 | 14.320 | 68.176 |

C- Project Description

1. The project will support the Government of Pakistan's national social safety net program, the Benazir Income Support Program (BISP). The project will enable the expansion of the cash transfer program (paid to the female head of targeted poor families) by registering an additional 2.4 million eligible families and financing the first few quarters of their cash transfers. In addition, it will support the strengthening and phased expansion of the pilot health insurance and skills development programs to increase income and good health for targeted families. The project will provide technical support and finance part of the scaling-up costs of both programs using a performance-based allocation. The substantial fiduciary risk of the project will be mitigated through the strengthening of BISP financial management systems and capacity.

2. The outcome will be increased resilience for BISP female beneficiaries and their families.

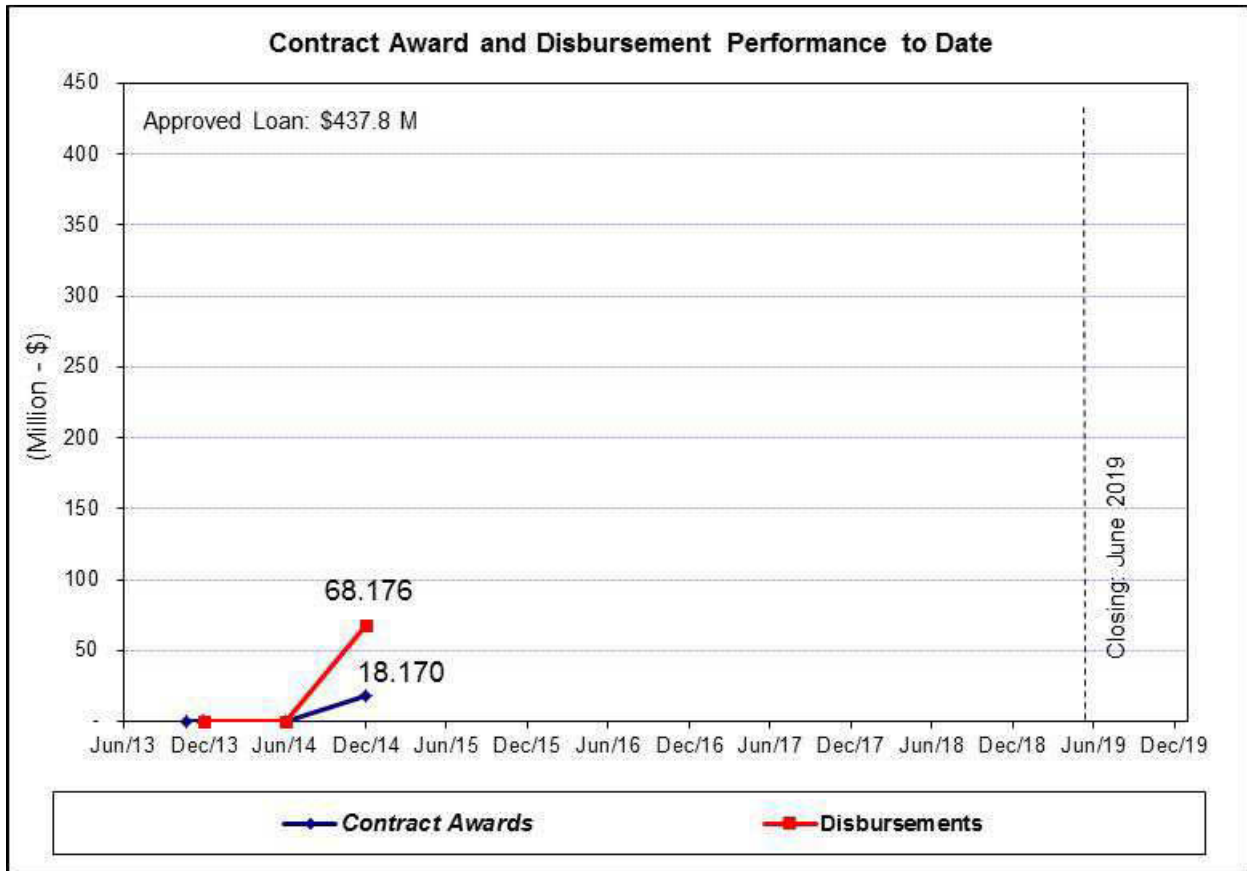
D- Project Monitoring Framework (Current Status)

| Outputs | Performance Indicators | Status with Key Activities |
|--|--|---|
| 1. Cash transfer program coverage expanded | Enrollment of eligible female heads of families with the CNIC increased Baseline: 70% in 2013, target: 95% in 2018 | By the end of September 2014, 5.59 million out of the targeted 7.2 million beneficiaries were enrolled, of which 4.6 million beneficiaries are receiving the cash transfer. |

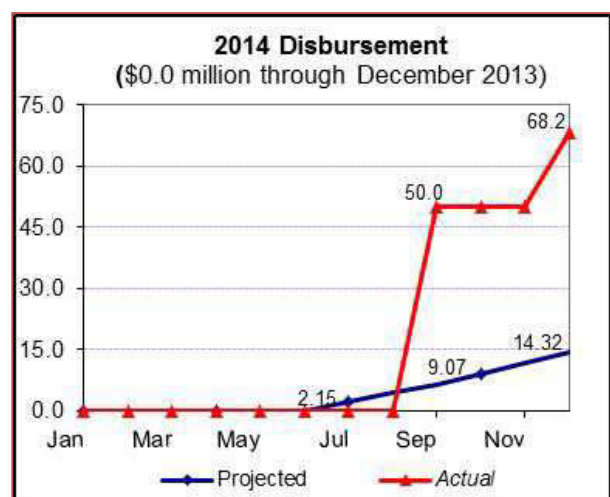
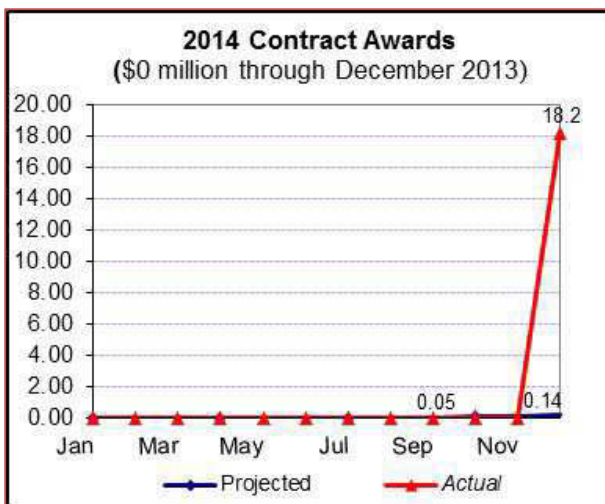
| Outputs | Performance Indicators | Status with Key Activities |
|--|---|--|
| | Regular cash transfers received on time by all newly registered women Baseline: 0 in 2013, target: 2.4 million in 2018 | Q3 2014 (\$10.5 million to 236,986 new beneficiaries) and Q4 2014 (\$7.62 million to 169,896 new beneficiaries) cash transfer payments to new beneficiaries were paid from project resources as scheduled. |
| 2. Health insurance program refined and rolled out | Phase 1 based on revised design and using technology-based infrastructure starting Q3 2014 implemented | Implementation is delayed. The organizational structure and staff arrangements of the Waseela-e-Sehet (WES - health insurance program) needs to be approved by the BISP Board before starting the implementation. The last Board meeting dates from 23 December 2013 (!) |
| | Enrollment of female heads and their families in the WES increased Baseline: 37,525 in 2013, target: 786,423 in 2018 | Implementation is delayed (see above) |
| | Admissions of WES registered families increased Baseline: 928 in 2013, midterm: 18,512, target: 69,865 in 2018, by sex of patient | Implementation is delayed (see above) |
| 3. Skills development program strengthened | New organization structure with MIS and internal monitoring system in place by Q4 2014 | Implementation is delayed. The organizational structure and staff arrangements of the Waseela-e-Rozgar (WER – skills development program) needs to be approved by the BISP Board before starting the implementation. |
| | Implementation of pilot in 13 districts based on labor survey, using standardized courses and guided by social mobilizers started by Q1 2015 | |
| | Total number of beneficiaries trained increased Baseline: 56,600 in 2013, midterm: 283,118, target: 577,294 in 2018, of which at least 50% are women (baseline: 30%) | |

| Outputs | Performance Indicators | Status with Key Activities |
|---|--|---|
| 4. Financial management and control systems, and policy research improved | Detailed annual budget prepared and object level classification and chart of accounts used for expenditure from Q1 2014 onward | BISP Action plan based on findings of compliance audit for FY2013 has been agreed between BISP and ADB and is being implemented |
| | Engendered research conducted in line with research framework from Q1 2015 onward | Not yet due |

E- Contract Award and Disbursement Performance over Project Life



F- Contract Award and Disbursement Targets and Achievements in 2014



G- Status of Action Plan Agreed during QPPR Mission (24 Feb to 5 Mar 2014)

Status of Action Plan Agreed during CPR 2014

| Sr. No. | Issue | Proposed Resolution | Due Date | By whom | Update as of 31 Dec 2014 |
|----------------|--|---|-----------------|----------------|--|
| 1. | Frequent changes in senior management. In one year 3 Secretaries have been changed | Appointment of a Secretary on full time basis for a reasonable tenure | Immediate | GoP | On 20 November 2014, Shabir Ahmed was appointed as Secretary. On 25 November 2014, Chairman BISP resigned and has yet to be replaced |

H- Action Plan to be discussed in QPR Q4, 2014

| Sr. No. | Issue | Proposed Resolution | Due Date | By whom |
|----------------|---|---|-----------------|--------------------------------------|
| 1 | Delayed recruitment of project management unit staff | Recruitment of full-time project manager, financial management specialist (based in FM Unit), and internal audit specialist (based in Internal Audit unit) | 28 Feb 2015 | BISP |
| 2 | Delayed approval for phased roll-out of WES and WER | - BISP to present roadmap for WES and WER to the BISP Board -BISP Board to decide on organizational structure and staff arrangement for phased expansion of WES and WER | 28 Feb 2015 | BISP BISP Board |
| 3 | Need to monitor performance of cash transfer payments | Finalize terms of reference and advertise consulting service to prepare spot checks on cash transfers | 28 Feb 2015 | BISP/ADB |
| 4 | Delayed project support to WES and WER | - Organize BISP Board as soon as possible to start project support to WES and WER - field review mission to agree on timing of recruitment of consulting services - finalize terms of reference for consulting inputs and advertise consulting services | 28 Feb 2015 | BISP BISP/ADB BISP/ADB |

Loan 3214-PAK(SF): Public Sector Enterprise Reforms Project

A- Loan Basic Data

\$ Million

| Approval Date | Signing Date | Effective Date | Closing Date | Closing Date (Revised) | Elapsed Time | Project Rating as of 31 Dec 14 |
|-----------------|-----------------|----------------|--------------|------------------------|-----------------|--------------------------------|
| 04-Dec-14 | Not signed | Not effective | 30-Jun-20 | – | 1% | |
| Approved Amount | Net Loan Amount | Financing | EA/IA | Project Officer | Project Analyst | |
| 20.0 | 19.112 | ADF | EAD/MoF | V. Auwera | E. Aquino | |

B- Loan Financial Progress

As of 30 June 2014

| Contract Award (Cumulative) | Un-contracted Loan Balance | Contract Award Performance % | Disbursements for 2014 | |
|-----------------------------|----------------------------|------------------------------|------------------------|--------|
| | | | Projections | Actual |
| – | – | – | – | – |
| Disbursements (Cumulative) | Un-disbursed Loan Balance | Disbursement Performance % | Disbursements for 2014 | |
| | | | Projections | Actual |
| – | – | – | – | – |

C- Project Description

1. 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.

2. 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.

D- Project Monitoring Framework (Current Status)

| Outputs | Performance Indicators | Status with Key Activities |
|--|---|----------------------------|
| 1. Corporate governance, structure and management capacity improved in selected PSEs | At least 80% of PSEs fully report to the SECP through the online system by 2019 (baseline: none in June 2014) | |
| | Due diligence reports completed for PSEs representing at least 50% of PSEs assets (at book value) by 2019 [baseline: no due diligence reports] | |
| | | |

| Outputs | Performance Indicators | Status with Key Activities |
|---|--|----------------------------|
| 2. Governance and regulatory regimes enhanced in selected sectors currently dominated by PSEs | Blueprints for revised market structures with efficient and transparent separation of regulatory and operational roles finalized for 2 sectors | |
| Governance and regulatory regimes enhanced in selected sectors currently dominated by PSEs | Reform monitoring reports by the Ministry of Water and Power and the Ministry of Petroleum and Natural Resources submitted on a quarterly basis to the Economic Coordination Committee | |
| | Competition assessments conducted for at least 3 sectors affected by privatization and restructuring of PSEs | |
| 3. Project efficiently and effectively managed | At least 75% of activities completed on time. | |
| 4. Strengthened privatization program | At least 10 privatization transactions completed | |
| | Public education and communications strategy implemented during 2015-2019. | |
| | Mitigation framework for labor-related issues prepared by December 2015 and implemented during 2016-2019 | |

E- Action Plan to be discussed in QPR Q4, 2014

| Sr. No. | Issue | Proposed Resolution | Due Date | By whom |
|---------|---------------------------------|---|-------------|---------|
| 1 | Loan signing and effectiveness. | EA to complete all formalities essential for signing and effectiveness of the loan. | 30 Apr 2014 | EAD/ADB |