

Pakistan signs \$1.5b loan accords with WB, ADB, AIIB

ISLAMABAD: Pakistan and three international financial institutions (IFIs) including World Bank (WB), Asian Development Bank (ADB) and Asian Infrastructure Investment Bank (AIIB) have signed \$1.5 billion loans agreement as each of the IFI has provided \$500 million facility.

Prime Minister Imran Khan witnessed the signing ceremony of the financing agreements with the World Bank (WB), the Asian Development Bank (ADB) and the Asian Infrastructure Development Bank (AIIB)

The AIIB joined hands with ADB as co-financer and provided \$500 million each so the total lending amount touched \$1 billion mark. "There are no conditions attached by the AIIB for providing this budgetary support of \$500 million at this difficult time," said top official sources while talking to The News here Friday. All these three lenders had approved their loan facility separately in past weeks and they signed the same with the government of Pakistan here Friday.

According to official announcement of the Economic Affairs Division (EAD), Prime Minister Imran Khan witnessed the signing ceremony of the financing agreements worth \$1.5 billion with the three IFIs.

This is concessional financing in the form of budgetary support that is being provided by the three IFIs that will help mitigate socio-economic impact of COVID-19 pandemic and strengthen health, education, and social safety nets systems. The three programmes' details are:

COVID-19 Active Response and Expenditure Support Programme (CARES) US\$ 500 million: The Asian Development Bank is extending financial support of \$500 million for this programme with the objective to support the government of Pakistan's efforts to strengthen the health system and mitigate socio-economic impacts of the COVID-19 pandemic.

The Asian Infrastructure Investment Bank is extending co-financing of \$500 million for the CARES to augment the government's efforts to mitigate the direct and indirect impacts of COVID-19 pandemic

The scope of the CARES programme covers: (i) social protection for the poor and vulnerable, (ii) an expanded health sector response to the pandemic; and (iii) a pro-poor fiscal stimulus package to ensure recovery in growth and employment.

Securing Human Investments to Foster Transformation (SHIFT) \$500 million: It aims to strengthen the Civil Registration and Vital Statistics, health and education systems essential for human capital accumulation; recognise and support the contribution of

women to economic productivity; and improve efficiency of the national safety nets. Noor Ahmed, Secretary Ministry of Economic Affairs, signed the three loan agreements on behalf of government of Pakistan, while Patchamuthu Illangovan, Country Director WB Ms Xiaohong Yang, Country Director, ADB and Konstantin Limitovsriy, Vice President, AIIB signed agreements on behalf of the World Bank, Asian Development Bank and AIIB respectively. The disbursement of \$1,500 million will be made to Pakistan in next few days.

The country directors of WB and ADB reiterated their commitment to support Pakistan and appreciated the government's resolve, efforts and measure to fight the pandemic.

Makhdoom Khusro Bakhtyar, Minister for Economic Affairs, while thanking the three IFIs for their continued support, especially in times of pandemic crisis, said that this reflects the confidence of the IFIs and the international development community in government's policies and endeavours for pursuing structural reforms process.