

The background of the slide is a photograph of the Minar-e-Pakistan tower in Lahore, Pakistan, at night. The tower is illuminated with blue and green lights, and its base is a large, green, shell-like structure. The sky is dark, and the surrounding area is lit up with streetlights.

INFRASTRUCTURE DEVELOPMENT INDUSTRY OUTLOOK OF PAKISTAN

A Report by TJ Consulting

Industry Outlook

Development sector in Pakistan can be characterize in the following manner:

1. Based on government inflows realized in the shape of taxation, duties, customs, project specific foreign investments (China Exim Bank etc.) project specific aid/grants (World Bank, Asian Development Bank etc.) and project specific loans (e.g. CPEC etc.) government of Pakistan allocate Development Budget to Ministry of Planning & Development annually. Ministry of Planning & Development issues funds to Federal and Provincial Government for various public sector projects. Federal & Provincial Government issues following programs outlining plans for development in the coming year:
 - a) Public Sector Development Program (Federal)
 - b) Annual Development Program (by each Province)

Projects coming in the above schemes are fully funded by the government of Pakistan.

Industry Outlook

Historical trend of Budgetary Allocations by Government of Pakistan is as under:

YEARS	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
	All figures are in PKR Billions					
Federal PSDP	951	1,030	1,001	800	700	525
Provincial ADPs	912	1,013	1,112	875	814	650
Total	1,863	2,043	2,113	1,675	1,514	1,175

2. Submitting unsolicited proposal under public private partnership is another way of approaching Government agencies to undertake investment projects which are not yet envisaged by Government but are of equal importance for public. Kahna Kacha Flyover is one example which is success story of unsolicited proposal in Pakistan.
3. IPP model based investment projects in energy sector.
4. Private sector initiatives (e.g. housing schemes, vertical towers, industrialization, technology transfer etc.)

Divisions of Public Sector Development Program (Federal)

FEDERAL MINISTRIES:

- Aviation Division
- Board of Investment
- Cabinet Division
- Climate Change Division
- Commerce Division
- Communications Division (other than NHA)
- Defense Division
- Defense Production Division
- Economic Affairs Division
- Establishment Division
- Federal Education & Professional Training Division
- Finance Division
- Foreign Affairs Division
- Higher Education Commission
- Housing & Works Division
- Human Rights Division
- Industries & Production Division
- Information & Broadcasting Division
- Information Technology & Telecom Division
- Inter Provincial Coordination Division
- Interior Division
- Kashmir Affairs & Gilgit Baltistan Division
- Law & Justice Division
- Maritime Affairs Division
- Narcotics Control Division
- National Food Security & Research Division
- National Health Services
- National History & Literary Heritage Division
- Pakistan Nuclear Regulatory Authority
- Petroleum Division
- Planning, Development & Reform Division
- Poverty Alleviation and Social Safety Division
- Railways Division
- Religious Affairs & Inter Faith Harmony Division
- Revenue Division
- Science & Technological Research Division
- States & Frontier Regions Division
- Statistics Division
- Textile Industry Division
- Water Resources Division

Divisions of Public Sector Development Program (Federal)

CORPORATIONS:

- National Highway Authority
- National Transmission & Despatch Company
- Pakistan Electric Power Company
- Earthquake Reconstruction and Rehabilitation Authority

Upcoming NHA Projects Funded by Government of Pakistan

- Khyber Pass Economic Corridor Project (World Bank)
- 4 Lane Flyover at Barakahu N-75
- Construction / Extension of Sindh Coastal Highway from 37+346 Kms to 87+350 Kms at Tikka Goth to Connect Keti Bunder (50Kms) (S-P)
- Construction of Additional Carriage way Shikarpur-Rajanpur Section of N-55 CAREC Corridor (ADB)
- Construction of Hoshab-Awaran-Khuzdar Section of M-8 (321km)
- Construction of Khuzdar Bypass on N-25
- Construction of Lakpass-Noushki section (130) (AIIB)
- Construction of Malakand Tunnel (Phase-I)
- Construction of Rajanpur-DG Khan as a 4-lane Highway (ADB)
- DG Khan-Rakhi Gaj Section of N-70
- Dualization of Tarnol- Fateh Jang Section of N-80 Including Interchange at Tarnol Railway Crossing
- Improvement and Widening of Gilgit- Shandur-Chitral Road (CPEC)
- Jhal Jaho-Bela Section (82 km)
- Lowari Tunnel (Electrical and Mechanical Works)
- Mirpur - Mangla - Muzaffarabad - Mansehra Road (CPEC)
- Nokundi- Mashkhel Road CPEC
- Quetta Western Bypass(23 km)
- Rehabilitation of Bela-Kararo Section (47 Km) N-25
- Widening & Improvement of Lodhran- Multan Section of N-5 (SP)
- Zhob to Kuchlak Road CPEC

Upcoming WAPDA Projects

HYDRO POWER

- Akhori Dam Project
- Basho Hydropower Project
- Chitral Power Enhancement
- Dudhnial Dam Multipurpose Project
- Hingol Dam Project
- Lower Palas Valley
- Lower Spat Gah
- Middle Palas Valley HydroPower Project
- Middle Spat Gah HydroPower Project
- Murunj Dam Project
- Patan
- Phandar HydroPower Project
- Renala Power Rehabilitation
- Shyok Dam Multipurpose Project
- Tank Zam Dam Project
- Thakot HydroPower Project
- Tungas HydroPower Project
- Upper Palas Valley HydroPower Project
- Upper Spat Gah HydroPower Project
- Yulbo HydroPower Project

WATER SECTOR

- Badin Zai Dam Project
- Bara Dam Project
- Bhimber Dam Project
- Chiniot Dam Project
- Daraban Zam Dam
- Dotara Carry Over Dam
- Mangla Marala Link Canal Project
- Pilot Treatment Plant
- Sukleji Dam Project (Site-C)

Divisions of Provincial Annual Development Programs

SOCIAL SECTORS

- School Education
- Higher Education
- Special Education
- Literacy & Non-Formal Education
- Sports & Youth Affairs
- Specialized Health Care & Medical Education
- Primary & Secondary Healthcare
- Population Welfare
- Water Supply & Sanitation
- Social Welfare
- Women development
- LG&CD

INFRASTRUCTURE DEVELOPMENT

- Roads
- Irrigation
- Energy
- Public Buildings
- Urban Development

PRODUCTION SECTORS

- Agriculture
- Forestry
- Wildlife
- Fisheries
- Food
- Livestock & Dairy Development
- Industries, Commerce & Investment
- Mines & Minerals
- Tourism

SERVICES SECTORS

- Governance & Information Technology
- Labour & HR Development
- Transport
- Emergency Service (1122)

OTHERS

- Environment & Climate Change
- Information & Culture
- Archaeology
- Human Rights & Minority Affairs
- Planning & Development

Framework for Unsolicited Proposals

Unsolicited proposals.— A project proposal submitted by a person to the Authority for a project, together with a written confirmation that it is economically viable, shall be considered as an unsolicited proposal.

1. An unsolicited proposal shall be accompanied by a feasibility study, environmental impact statement, and a draft PPP agreement, need for Government support and determination of the public private partnership modalities.
2. The Authority shall consider an unsolicited proposal from all aspects including technical, environmental and financial aspects, and in case of requirement of additional information, the Authority may request for the submission of an amended or modified proposal.
3. Within seven days from the receipt of an unsolicited proposal, the Authority shall require the person to submit details about legal, technical, managerial and financial capability of the person, as well as the cost of preparing the unsolicited bid with relevant supporting evidence for its consideration and such information shall be submitted to the Authority within seven days from the receipt of such requirement.

Framework for Unsolicited Proposals

4. Within seven days from the receipt of information required under subsection (4), the Authority shall evaluate the unsolicited proposal and, if it is found to be economically, technically and environmentally feasible and the information submitted by the person about his own legal, technical, managerial and financial capability is satisfactory, the Authority may submit the unsolicited proposal to the PPP Cell and Risk Management Unit. Thereafter the PPP Cell shall submit its recommendations to the Board along with input of the Risk Management Unit. The Board, thereafter, shall make a decision on such proposal.
5. The decision of the Board with regard to an unsolicited proposal shall be communicated in writing by the Authority to the person who submitted such proposal within seven days from the receipt of the decision of the Board.
6. If the Board approves the unsolicited proposal, the Authority shall invite competitive bids for the project identified in such proposal by following the bid procedure described in sections 19 to 24 and, if prequalification is conducted, the person submitting the unsolicited proposal shall not be required to be pre-qualified and may directly participate in the bidding process.

Framework for Unsolicited Proposals

7. The Authority shall give the person who made the unsolicited proposal five percent additional weightage in technical scoring and first right to match or improve the best bid received in response to the call for bids, if its bid is not the best bid.
8. If the person who submitted the unsolicited bid fails to match the best bid, the Authority shall direct the successful bidder to reimburse to the person who submitted the unsolicited proposal the amount specified in the bid documents as the cost of preparing the unsolicited bid but the reasonability of the cost of preparation of unsolicited proposal shall be determined by the Authority.
9. If other valid competitive bids, except the bid of the person who submitted the unsolicited proposal, are not received, the Authority may negotiate the PPP agreement with the person who submitted the unsolicited proposal or decide with prior approval of the Board to undertake the bidding process afresh by following the procedure described in sections 19 to 24, after recording the reasons for re-bidding.
10. In case more than one unsolicited proposals are submitted for a specific project to the Authority, the Board may accept the best case option out of the said proposals on the recommendations of the PPP Cell, and thereafter, such proposals shall be processed in the manner as stated in subsections (2) to (10) above.

Framework for IPP Based Energy Projects

1. SHORT TERM POWER GENERATION CAPACITY ADDITION

On 6th June 2013, NEPRA announced Upfront Tariff for local / imported coal based power projects. In order to facilitate the project sponsors, PPIB Board in its 93rd meeting approved the procedures for development of private power projects under Upfront Tariff regime. It was decided that projects whose sponsors are interested to opt the Upfront Tariff devised by NEPRA shall be processed as per the 'Guidelines for Setting up of Private Power Projects under Short-Term Capacity Addition Initiative August - 2010' (the 'Guidelines'), mutatis mutandis, read with NEPRA Upfront Tariff (Approval and Procedure) Regulations 2011.

The sequence of activities to process the projects as given in the Guidelines is reproduced below:

- Registration with PPIB by depositing US\$ 200 along with a request letter;
- Submission of proposal to PPIB as per given guidelines, along with Proposal Processing Fee of US\$ 20,000;
- Examination of proposal and evaluation of credentials of the sponsors by PPIB;
- Approval by PPIB Board;

Framework for IPP Based Energy Projects

- Submission of tariff petition and application for Generation License to NEPRA by the sponsors;
- Tariff Determination and issuance of Generation License by NEPRA;
- Submission of PG @ US\$ 5,000 per MW with validity of three months in excess of committed COD along with Processing Fee (US\$ 80,000) to PPIB by the sponsors;
- Issuance of Letter of Support (LOS) by PPIB, after acceptance of PG by PPIB;
- Negotiations / Finalization of project agreements (IA, PPA, FSA, CSA);
- Achievement of Financial Close within nine (9) months from issuance of LOS (PPIB Board has recommended for ECC approval to increase Financial Closing period upto eighteen (18) months and construction period upto forty-eight (48) months for coal based power projects);
- Commencement of Construction activities;
- Achievement of Commercial Operation Date (COD) within the deadline stipulated in the LOS /IA /PPA.

2. CO-GENERATION INVESTMENT OPPORTUNITIES

- Opportunity of Diversification for Sugar Mills in Pakistan

Framework for IPP Based Energy Projects

3. THAR COAL

- Thar coalfield is located in South Eastern Part of Sindh at about 380 kilometers East of Karachi. It spreads over an area of 9,100 sq. km. with dimensions of 140 km (north-south) 65 km (east-west). The total potential of Thar is estimated at 175 billion tons of lignite coal which may be sufficient to produce 100,000 MW electricity for 200 years.

Upcoming Investment Projects

PPP CELL PUNJAB

- Multi-Modal Intercity Bus Terminals in Lahore
- Naya Pakistan Housing Project: Chiniot (Area Development Scheme-II)
- Dualization of Okara Satghara Syedwala Jaranwala Chak Jhumra Expressway Road
- Dualization of Chiniot Pindi Bhattia Road
- Construction of Lai Expressway
- Dualization of Depalpur Okara Samundari Jhang Road
- Dualization of Tarandah Muhammad Panah, KLM, Head Punjnad Muzafargarh Road
- Dualization of Multan Vehari Road
- Dualization of Faisalabad Chiniot Sargodha Road
- Dualization of Jhelum, PD Khan, Lillah Interchange M2 road

Upcoming Investment Projects

PPP UNIT SINDH

- Arfa Karim IT City Project - AKITC
- Dhabeji Pumping Station - DPS
- Dualization of Sukkur-Larkana Road - DSLR
- Hawksbay Road Project - HRP
- Industrial Water Supply for Thar Block I - IWSTBI
- Korangi Road Project - KRP
- Link Road (M9-N5) Project - M9N5

Upcoming Investment Projects

NATIONAL HIGHWAY AUTHORITY

- Hyderabad – Sukkur Motorway (KLM)
- Karachi Northern Bypass (M-10)
- Tarnol-FatehJang (N80)
- Construction of Additional Carriage Way from Balkasar (M-2) to Mianwali (Commercial Feasibility/BOT)
- Construction of Chakdara-Bagh Dheri Extension of Swat Expressway on BoT
- Construction of road from Sambrial- Kharian Motorway (BOT)
- Construction of Shahdara Flyover Bridge Project on BoT
- Conversion of existing 2-lane Karachi Northern bypass to 6-lane Highway (BoT)
- Dualization of Kharian to Rawalpindi Motorway (BOT)
- Dualization of Mianwali- Muzaffargarh Road (SP) (BOT)
- Feasibility for Dualization & Rehabilitation of Karachi-Quetta - Chaman Road (790km) BoT Plus Land
- Feasibility for the Construction of Southern bypass Peshawar on BoT

Upcoming Investment Projects

NAYA PAKISTAN HOUSING PROGRAM

- Kashmir Avenue Apartments (FGEHA) Mauve Area, G-13, Islamabad
- Federal Government Employees Housing Authority
- Chaklala Heights (FGEHA) Chaklala Scheme -III, Rawalpindi Federal Government Employees Housing Authority
- Indus Vista (FGEHA) B-17 Islamabad Federal Government Employees Housing Authority
- Skyline Apartments (FGEHA) New Islamabad Airport, Islamabad Federal Government Employees Housing Authority
- Lifestyle Residency (FGEHA) Bedian Road, Lahore Federal Government Employees Housing Authority

