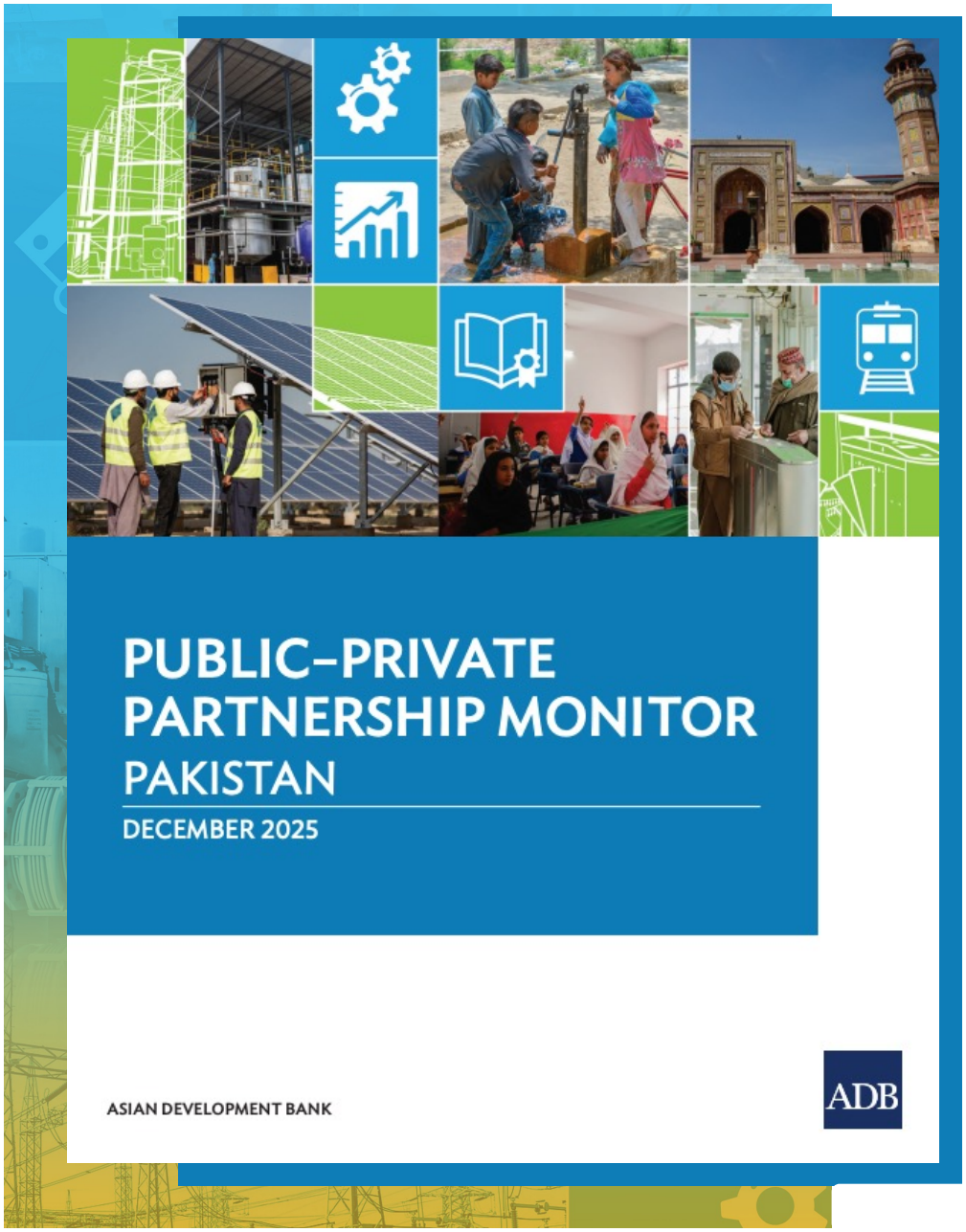
The views expressed in this presentation are the views of the author/s and do not necessarily reflect the views or policies of the Asian Development Bank, or its Board of Governors, or the governments they represent. ADB does not guarantee the accuracy of the data included in this presentation and accepts no responsibility for any consequence of their use. The countries listed in this presentation do not imply any view on ADB's part as to sovereignty or independent status or necessarily conform to ADB's terminology.



ADB

PAKISTAN
PPP MONITOR
Introduction and Key Findings

Content

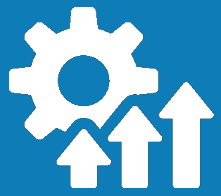
General Introduction to PPP Monitor



Summary of PPP Framework in Pakistan and Key Findings



Potential for ADB Support



PPP Monitor Coverage

National PPP Landscape

- National PPP Regulatory Framework
- PPP Institutional Framework
- PPP Appraisal and Approval Process
- Government Financial Support to PPPs
- Availability of toolkits and standardized documents
- Foreign investor restrictions
- Maturity of PPP market
- Financial Framework
- Land Issues, Dispute Resolution, E&S Approvals

Sectoral PPP Landscape

- Sector-specific trends and indicators
- Sector laws and regulations
- PPP project pipeline
- Features of past PPP projects
- Procurement Mode, Tariff, Government Support, Risk Allocation by sector
- Availability of standardized PPP contracts
- Sector-specific PPP Challenges

Local Government

- Local Governance System
- Infrastructure Development Plan of local Government
- Priority Sectors
- Municipal Finance – Revenue, Borrowing, Budgetary Allocation



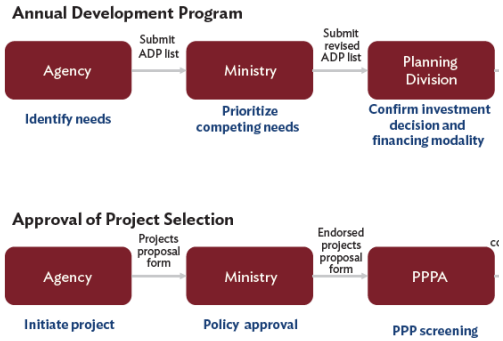
- *Note – The content of the PPP Monitor for Pakistan has been prepared and finalized as of September 2025 based on secondary resources and information available in public domain, select informal consultations with public sector representatives and based on practitioners inputs received from ADB Country Resident Mission and Government Counterparts.*

PPP Monitor: A snapshot of the PPP environment in DMCs

The go-to document on the PPP environment.

- Diagnostic policy tool for governments and MDBs and
- Investment due-diligence tool for infrastructure investors
- Currently prepared for around 12 countries including **PAKISTAN**; with more planned

Clear, user-friendly graphics



Comprehensive

500+ indicators are used to describe the PPP environment

Parameter	
Does the PPP legal and regulatory framework provide the option of contract negotiations to the preferred bidder?	✓
Does the PPP legal and regulatory framework allow unsuccessful bidders to challenge the award or submit complaints?	✓
What is the maximum time allowed for unsuccessful bidders to submit a complaint or challenge the award given to the preferred bidder?	5 days
Does the PPP legal and regulatory framework provide for transparency?	✓
Which of the following are required to be published? • Findings from the feasibility assessment? • Procurement notice? • Outcome of stakeholder consultations from market sounding? • Clarifications to prequalification queries? • Prequalification results? • Clarifications to pre-bid queries? • Results for the bid stage and selection of preferred bidder? • Final concession agreement to be entered between the government agency and the preferred bidder? Other PPP project agreements executed between government agency and preferred bidder? • Confidentiality?	 x ✓ UA ✓ UA ✓ UA x ✓

✓ = Yes, x = No, NA = Not Applicable, UA=Unavailable

[a] While these elements are not specifically referred to in the procurement guidelines/PPP Law, they are evaluated as per the process under the PPP Screening Manual and are required.



https://www.pppmonitor.adb.org

PPP Monitor: Definition of PPP

PPP Monitor uses a standard definition of PPP across all countries

Contractual arrangement between public (national, state, provincial, or local) and private entities through which the skills, assets, and/or financial resources of each of the public and private sectors are allocated in a complementary manner, thereby sharing the risks and rewards, to seek to provide optimal service delivery and good value to citizens. In a PPP, the public sector retains the ultimate responsibility for service delivery, although the private sector provides the service for an extended time.

Excluded:

- EPC contracts and construction contracts with extended warranties or short-term maintenance provisions (wherein performance risk-sharing is minimal as the assets are new and need only basic maintenance)
- Simple service contracts that are not linked to performance standards and more aligned with 'outsourcing'.

This differs only slightly from Pakistan's legal definition, however provincial PPPs are not recorded in World Bank's PPI and have been added manually

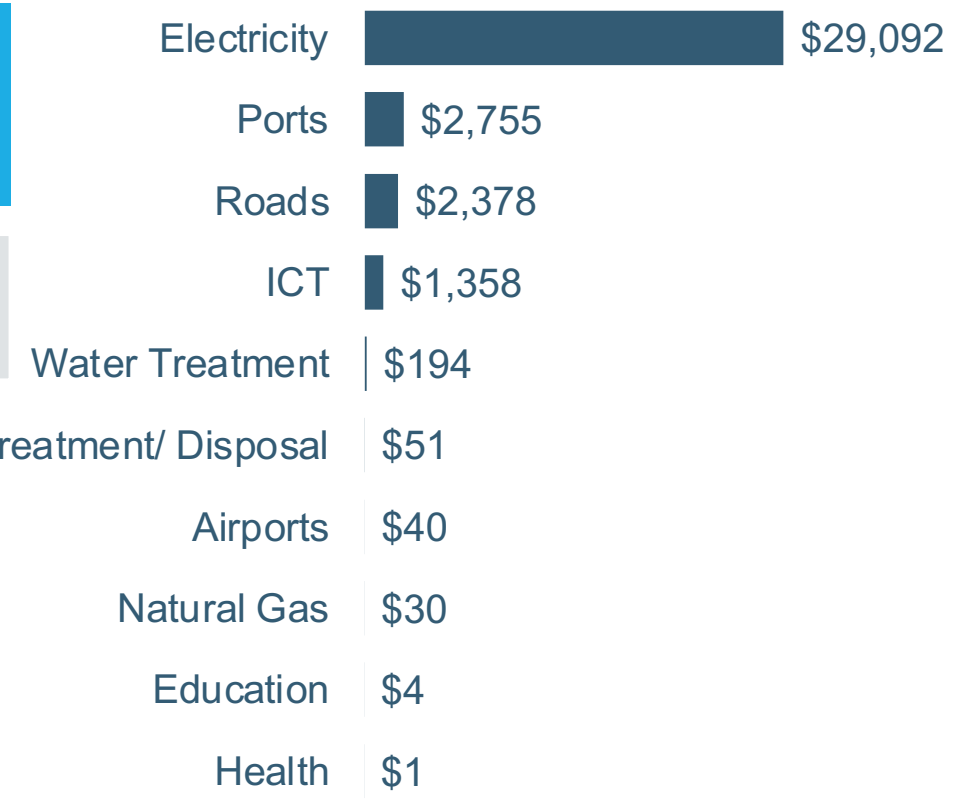
Quick snapshot of PPP projects undertaken (1990-2024)

Energy	Ports	Roads
113	14	13

~ 154 projects achieving Financial Closure*

Airports	Water & Waste
1	2

Social	ICT
8	3

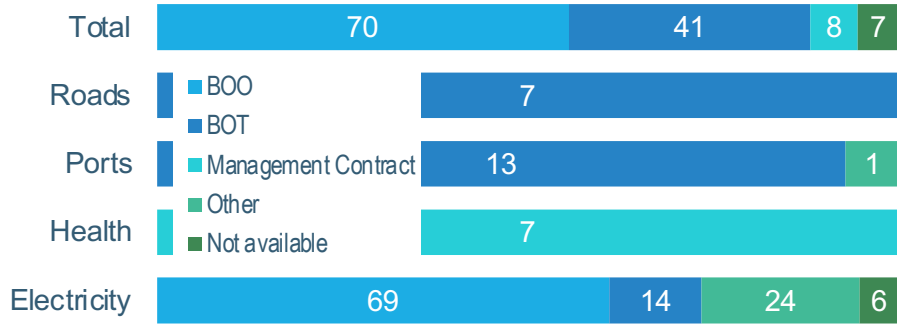


Total Investments ~ 36 billion

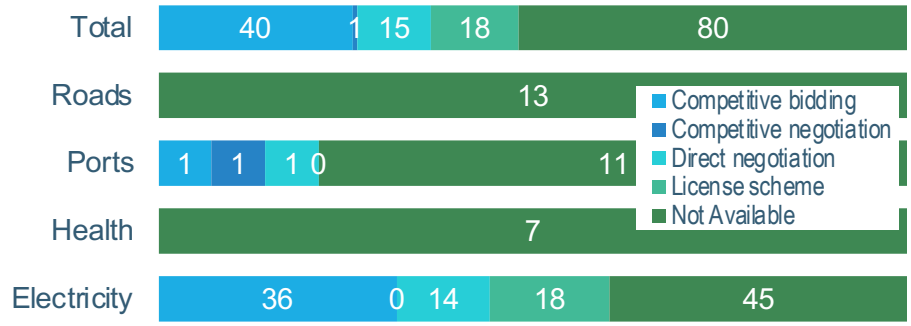
Whilst PPPs have been mostly in energy sector, there have been a few PPPs in other sectors

Features of past PPP projects (1990 – 2024)

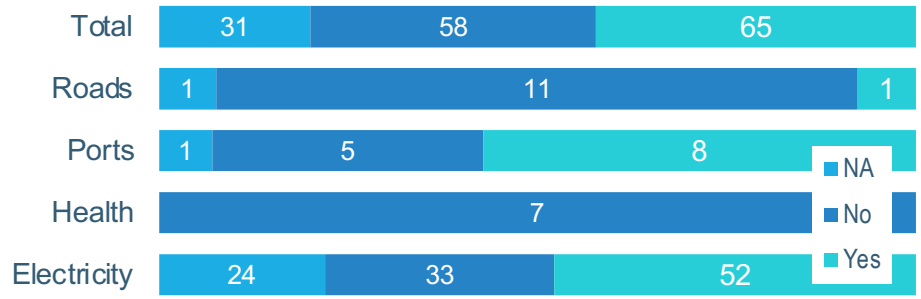
Type of PPP



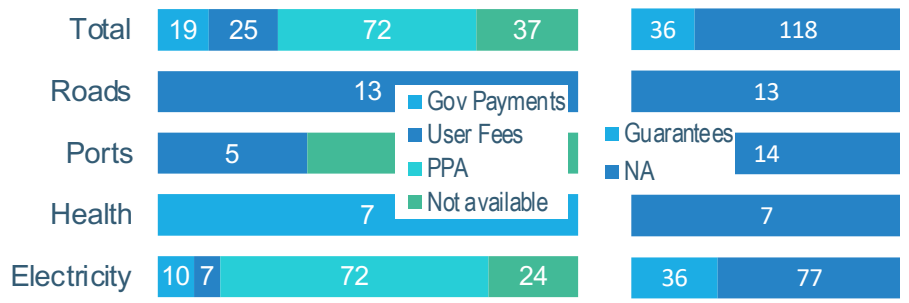
Mode of Procurement



Foreign Sponsorship



Revenue and Support Scheme



PPP Portfolio largely concessions competitively awarded or licensed to a mix of Foreign and Domestic Investors based mostly on PPA and availability payments except for the transport sector, and to the extent of data availability supported by guarantees (though data is far from complete)

Regulatory framework – Comparison across countries

Parameter	Pakistan	Bangladesh	Indonesia	Kazakhstan	Philippines
Dedicated legal or policy instrument established for a PPP					
Eligible sectors					
Foreign ownership of equity in greenfield PPP projects					
Lender's security rights					
Termination and compensation					
Government support					
Standardised contracts					

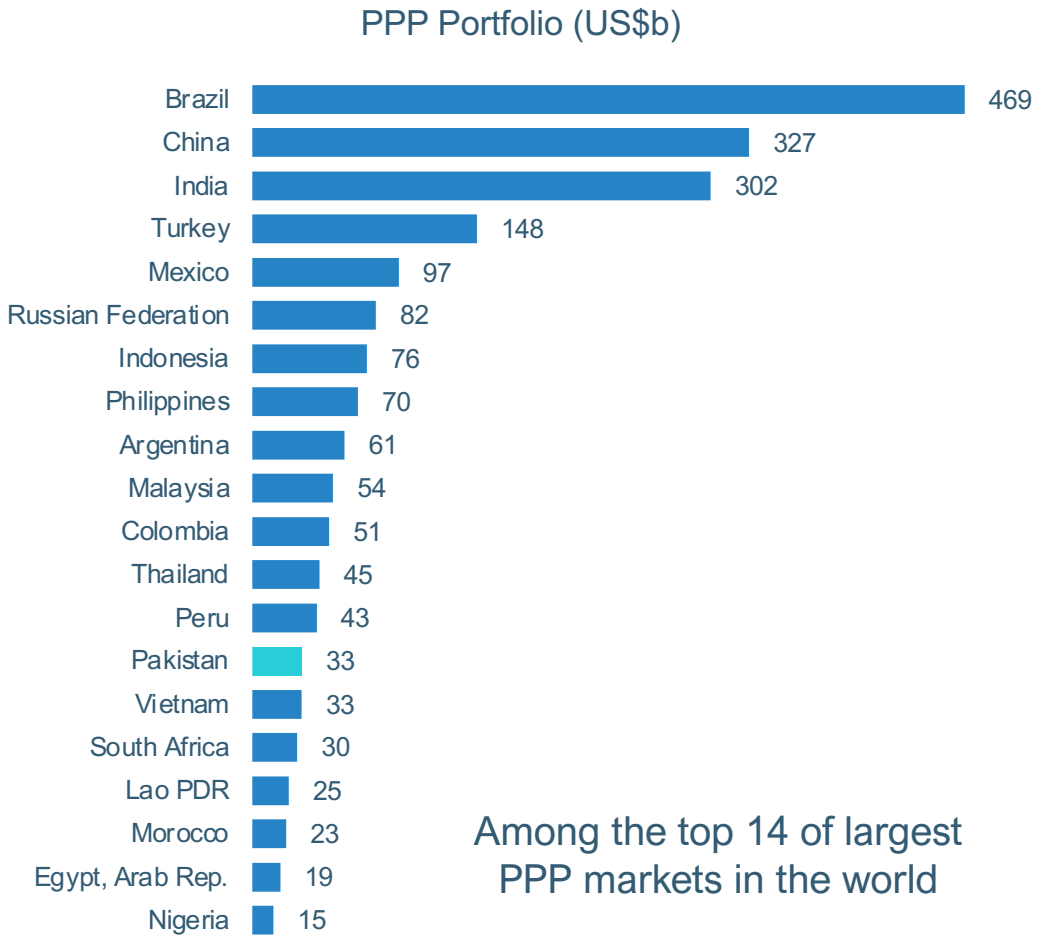
Mature Nascent Developing

Institutional capacity – Comparison across countries

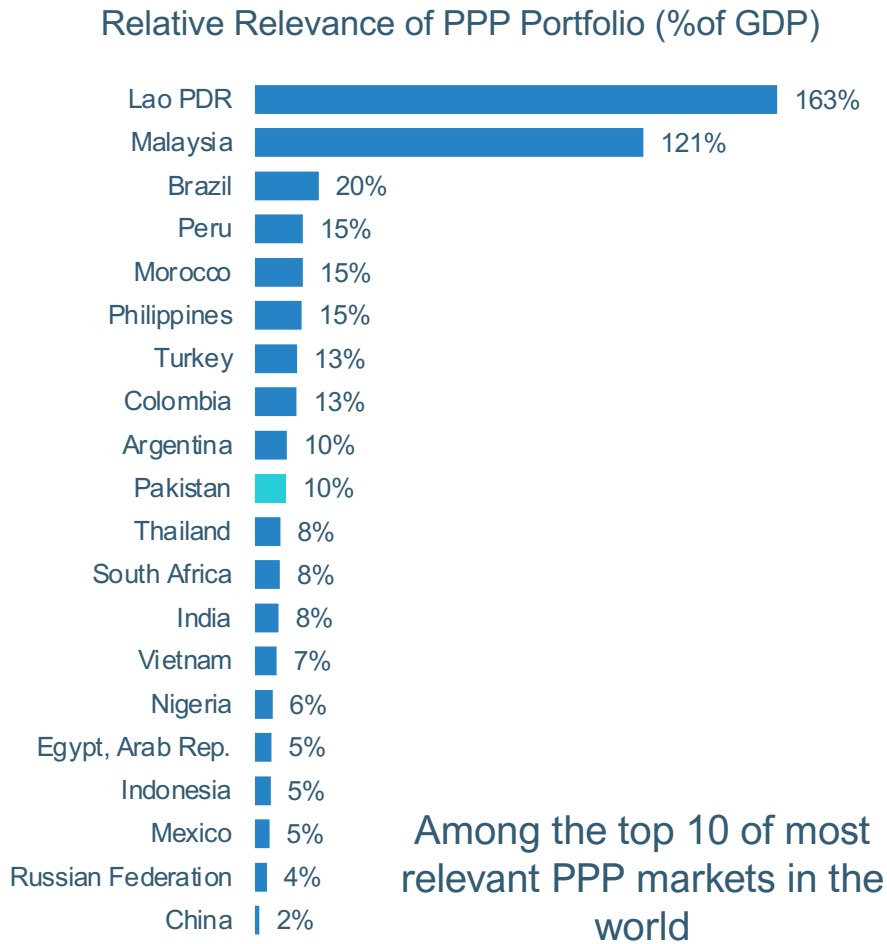
Parameter	Pakistan	Bangladesh	Indonesia	Kazakhstan	Philippines
Availability of specialised government agency established for PPP purposes					
Availability of officially published PPP projects pipeline					
Availability of screening/identification methodology to identify a list of potential PPP projects from public investment priority projects					
Availability of preferred risk allocation matrix as guidance					
Level of regulatory development of PPP procurement process					

Mature Nascent Developing

Market Maturity– Comparison across countries



Among the top 14 of largest PPP markets in the world



Among the top 10 of most relevant PPP markets in the world

Key Gaps in Pakistan's PPP enabling framework

A. PPP Regulatory Framework
Substantially reformed in recent years though still very fragmented

B. PPP Institutional Framework
Improved with the establishment of P3A and FRM though limited cross-sectoral and cross-jurisdictional coordination and knowledge sharing

C. PPP Processes
Improved through adaptation of regulations and manual with appropriate gateways though limited to qualified projects



E. Private Sector Interest
Outside the dominant energy sector the private sector is very much locally orientated and risk averse

D. Public Sector Capacity
Ongoing capacity building through the CP3P program creating a more homogeneous PPP language and knowledge through the nation, though capacity is still limited, particularly in fiscal management

ADB has been involved in developing the PPP program in Pakistan for many years through various programs

Summary of Findings

- **Fragmented federal–provincial frameworks**: inconsistent rules create uncertainty and regulatory risks.
- **Institutional weaknesses**: limited PPP expertise, frequent staff turnover, and reliance on external consultants.
- **Financing constraints**: lack of long-term project finance, dependence on domestic banks, absence of deep capital markets.
- **Dispute resolution**: reluctance to allow international arbitration post-Reko Dek case deters investors.
- **Macroeconomic volatility**: currency depreciation, high interest rates, and inflation have reduced PPP bankability.
- **Political interference**: unrealistic timelines, aggressive risk transfer, and weak project preparation undermine sustainability.
- **Value-for-money concerns**: fiscal affordability is often compromised to secure private financing, particularly in power.

Potential for ADB's support with enabling framework

Capacity Building

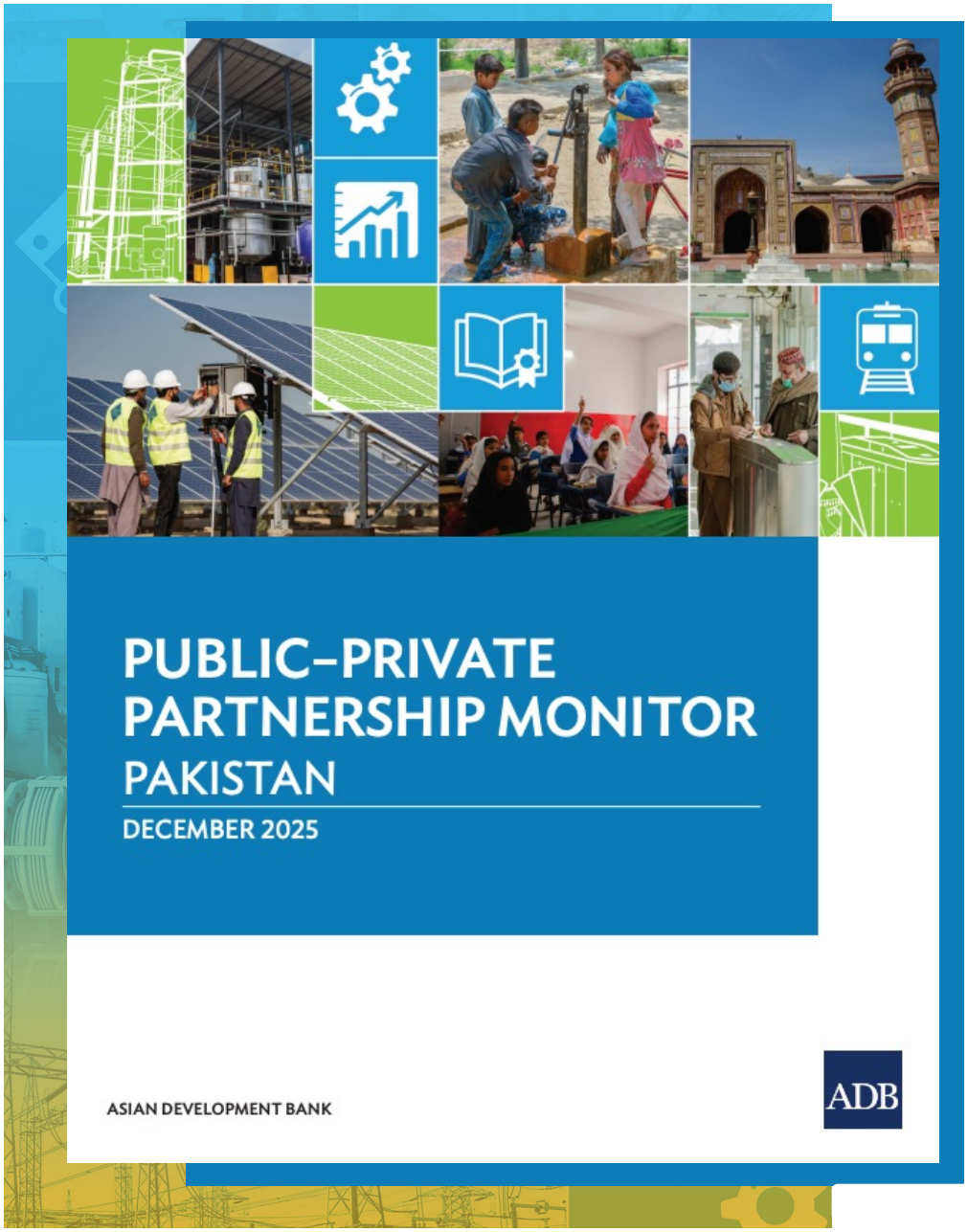
- **Strengthen institutional capacity** with continuous training, knowledge retention, best practice sharing and technical expertise.
- **Improve fiscal risk management** through rigorous value-for-money analysis and sustainable risk allocation models, and with more dedicated staff.

Regulatory and Institutional Reform

- **Expand financing instruments:** project bonds, guarantees, blended finance, and support for InfraZamin and Pakistan Infrastructure Bank.
- **Enhance transparency and dispute resolution mechanisms**, including reconsideration of international arbitration.

PPP Screening and Project Development

- **Coordinate and promote the integrated PPP market** based on national dialogue through a National PPP Forum sharing experiences and opportunities leading to a national PPP programme providing a more attractive business proposition for investors and lenders
- **Replicate successful provincial models** (e.g., Sindh PPP program) nationwide to demonstrate credibility.
- **Prioritize climate-resilient, inclusive, and technology-driven PPPs** to align with national development goals.



ADB

Explore the Pakistan PPP Monitor 2026

Scan to download