

**The Republic of Korea's Country
Partnership Strategy for
the Islamic Republic of Pakistan
2016-2020**

The Government of the Republic of Korea

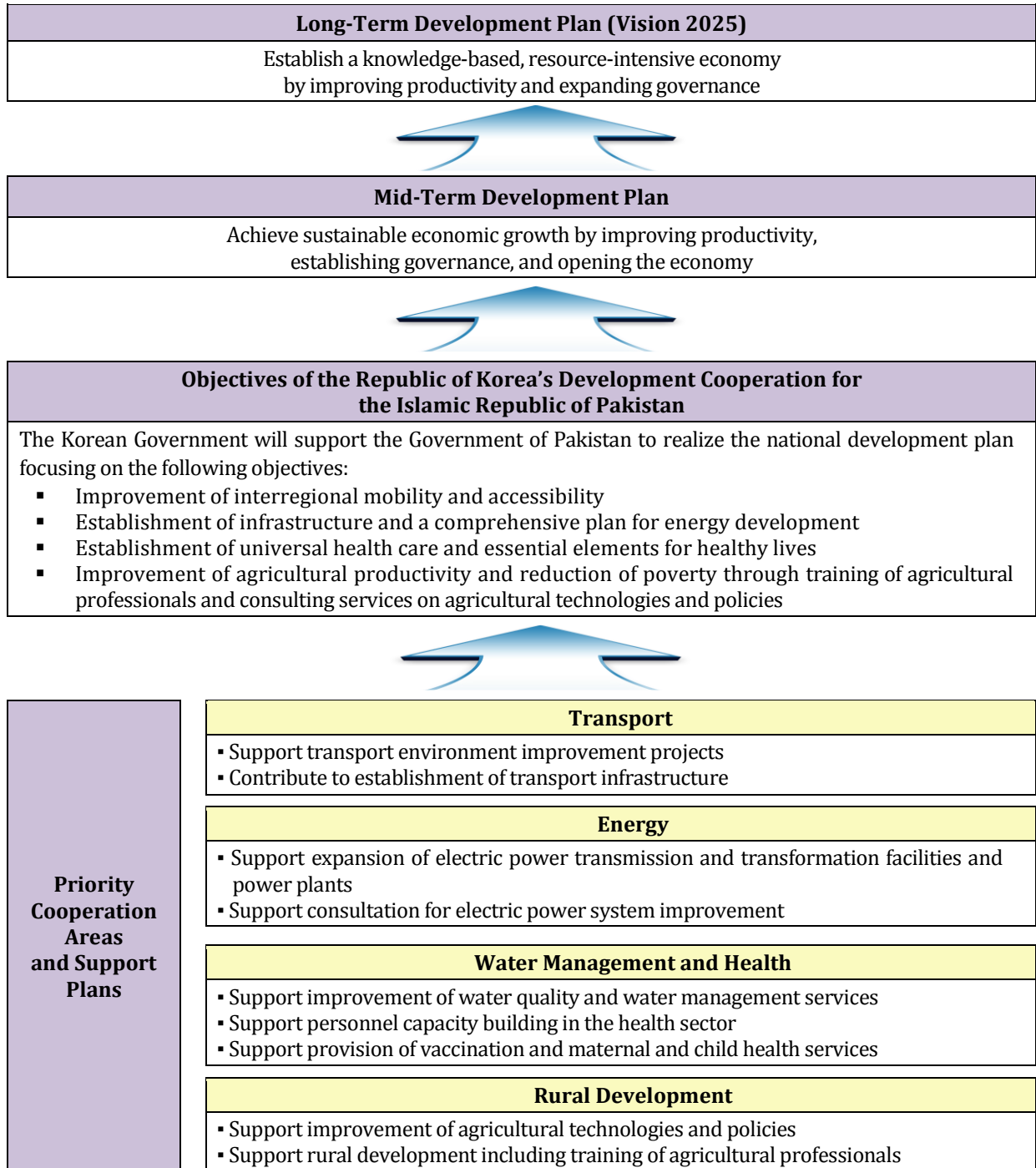
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The Republic of Korea's Country Partnership Strategy for the Islamic Republic of Pakistan

I. Summary



1. **(Vision)** The Government of the Republic of Korea (Korean Government) will support the Government of Pakistan's efforts to implement a long-term plan, "Vision 2025;" the 11th Five-Year Plan (2013-2018), the Framework for Economic Growth, and mid-to-long term national development plans. Through these efforts, the Korean government plans to contribute to the balanced and sustainable development of Pakistan and enhance the friendly and cooperative relationship between the two nations.
2. **(Priority Areas)** Priority areas are selected based on Pakistan's national development plan, the Republic of Korea's capacities for development cooperation projects, and anticipated financial resources. A minimum of 70% of the total official development assistance (ODA) for Pakistan will be allocated for priority areas.
 - ① **(Transport)** Contribute to reducing the gap between rich and poor regions by building transport infrastructure that will be the foundation for economic growth
 - ② **(Energy)** Contribute to the establishment of the foundation for sustainable economic growth by building electricity and new/renewable energy infrastructures.
 - ③ **(Water Management and Health)** Contribute to the improvement of people's health by strengthening primary health care services and the capabilities of health workers.
 - ④ **(Rural Development)** Contribute to the improvement of agricultural productivity and reduction of poverty through training of agricultural professionals and consulting services on agricultural technologies and policies.
3. **(Implementation Strategy)** Efficiency, sustainability, and harmonization will be the three values emphasized to improve effectiveness of ODA projects for Pakistan.
 - **Efficiency:** Coordinate among development cooperation projects to create greater synergy and promote efficiency.
 - **Sustainability:** Strengthen alignment of development cooperation projects to the Pakistani government's strategies and projects and support its operational and management capacity.
 - **Harmonization:** Promote information sharing, cooperation, and coordination with the Pakistani government and other donors on field-level.
4. **(Strategic Foundation)** The Korean government's support aims to comply with the UN's Sustainable Development Goals (SDGs), international standards on foreign assistance, the Development Assistance Committee (DAC)'s recommendations, and ODA Advancement Plan of the Korean government throughout project implementation

II. Priority Cooperation Areas and Implementation Strategy

A. Transport

1. Needs Assessment

Roads, despite being in very poor condition, are the main mode of transport in Pakistan accounting for 96% of all inland freight and 92% of all passenger traffic. Approximately 9,489km are national highways and most of them are two-way, two-lane roads. Due to the narrow road width and the poor condition of the roads, the cost of logistics is high and transit time is prolonged.

In addition, although the total length of railways in Pakistan is 7,791km, the worn-out condition and shortage of locomotives severely limits transport volume.

In order to best utilize its strategic geopolitical location which connects the northeast Asian region, CIS, Middle East, and the Indian Ocean for trade and to invigorate its rural economy, the Pakistani government is currently making large-scale investments in the transport sector such as roads and ports.

2. Korea's Strength in Development

The Korean government has experience in establishing a national transport network in a very short period of time through a comprehensive national land development plan. The country also hosts relevant technologies for the improvement of transports, and capacities and technologies to develop and introduce an intelligent transportation and road system.

The Republic of Korea's engineering and construction companies have carried out numerous foreign road projects and have accumulated experience and international-standard technologies.

3. Implementation Strategy

The Korean Government will primarily take Pakistan's development needs to improve the transport environment in cooperation with other development partners. Road and tunnel construction projects in regions that are more likely to benefit from the projects will be carried out in order to reduce the transit time, improve transport safety, reduce logistics cost, and ultimately develop the national economy.

Many development partners are interested and are currently carrying out various projects in the transport sector. Thus, the Korean government will strengthen information sharing and cooperation between the partners in the development strategy establishing and survey stages.

The Korean government will utilize grants and loans for transport infrastructure development and technical cooperation and actively participate in working and consultative groups of multilateral and bilateral organizations that have been involved in road transport projects to develop cooperation plans, share information, improve aid efficiency and harmony, divide infrastructure constructions works through grants and loans, plan for follow-up support for the existing facilities, and develop co-financing projects with other donors.

a. Establishment of transport infrastructure

The Korean government supports the Pakistani government's plan to establish tunnel and road construction projects and enhance its capacities to improve Pakistan's transport infrastructure.

b. Project development support

The Korean government will support the establishment of a master plan for transport infrastructure and conduct feasibility studies and environment impact assessments for potential projects.

c. Improvement of transport conditions

To reduce transit time, increase personnel and freight transport, and invigorate the regional economy, the Korean government will improve the poor road conditions by straightening and widening roads and constructing tunnels.

d. Strengthening of capacities

The Korean government will share experiences, techniques, and systems on developing and managing transport infrastructure and improve Pakistan's transport sectoral capacities.

B. Energy

1. Needs Assessment

Pakistan's industries and economy are seriously affected by the country's chronic shortage of electricity. In particular, the discrepancy in terms of electricity supply between rural areas, medium-size cities, and major cities like Islamabad and Karachi is great. Several reasons are named as the cause of electricity shortage: lack of private sector investment in infrastructure, inefficiency in electricity transmission and transformation, and electricity theft affected by the Pakistani government's budget deficit and low fee collection rate.

As of the end of 2014, the electricity supply was short of the demand by 5,000MW.

However, the demand for electricity is expected to increase at the rate of 5~6% for the next 10 years. Accordingly, the electricity shortage is projected to continue even after 2020.

In this regard, **the Pakistani government established a long-term development plan called “Vision 2025” which aims to increase the electricity supply — including clean and renewable energy — by 35,000MW for the next 20 years.** The electricity generation target, according to this plan, is 22,563MW (65% of the 35,000MW) of hydroelectric power, 4,680MW (13%) of thermal power, and 1,800MW (5%) of nuclear power. Also, Pakistan aims to increase power generation and reduce transmission and transformation loss by expanding its power infrastructure and repairs.

2. Korea’s Strength in Development

The Republic of Korea holds advanced technologies/skills in energy development and high-voltage transmission/transformation¹. The Korean government also has advanced technologies and institutions in the hydroelectric power area which is the key power source in Pakistan as well as in solar power, wind power, geothermal power, and small hydro power fields and can share them for development of projects in Pakistan.

3. Implementation Strategy

The Korean government’s support will be aligned with Pakistan’s energy strategies and towards the establishment of a comprehensive power sectoral plan for expansion of power infrastructure, improvement of energy systems, implementation of development surveys, construction of infrastructures, and strengthening of energy-related institutional capacities.

Moreover, the Korean government’s support will consider both grants and loans for infrastructure construction projects, facilitate follow-up support on the existing facilities, and develop co-financing projects between donor organizations.

a. Establishment of power infrastructure

The Korean government will support the Pakistani Government’s efforts to build power plants, establish an electricity transmission and transformation network, and an efficient and environment-friendly power infrastructure. In addition, to meet the Pakistani government’s plan to reduce dependence on thermal plants and diversify energy sources, the Korean government will support development of alternative energy sources including hydroelectric power, wind power, and solar power.

¹ The transmission power loss rate in Korea measures about 4%

b. Support for developing potential projects

The Korean government will complete feasibility studies, provide technical support, and execute research surveys (planning and design of power networks, detailed design, and establishing an electricity network master plan).

c. Improvement of power distribution

For improvement of power distribution, the Korean government will support power transmission, transformation network, and distribution-type power source projects which will improve access to power in rural and disadvantaged areas.

d. Strengthening of capacities

The Korean government will provide invitational training for Pakistani government personnel and dispatch experts from Korea to strengthen the capacities in the energy sector.

C. Water Management and Health

1. Needs Assessment

The supply of water is not sufficient to meet demand due to urbanization and industrialization. Water quality improvement is another challenge for the well-being of people. In this regard, the Pakistani government identified “improvement of access to water in all sectors” as a national priority to improve the welfare of the people and reduce economic inequalities.

Differences in the quality of and access to health services between regions, shortage of health services, inefficient health system, and practices stemming from culture and religion remain a challenge for the health sector.

In the Framework for Economic Growth (FEG), the Pakistani government specified the following priorities:

- resolve the shortage of primary and secondary health care services and the burden on tertiary health care;
- resolve the poor professionalism and personnel shortage issues in the regional health system;
- reform the health finance system;
- reduce the burden of diseases;
- strengthen health statistics and information system; and
- strengthen public-private partnerships

2. Korea's Strength in Development

The Korean government has the technology and experience which contributed to a 98% national water supply distribution rate. The Korean government has the experience of improving the level of national health in a very short period of time by standardization of regional health centers and phase-in of family planning workers and health centers. Also, the Korean government established an effective public health system by enacting the Mother and Child Health Act in 1973 and dispatching maternal and child health workers to regional health centers ensuring standard and safe childbirth.

3. Implementation Measures

The Korean government will support development of phased development plans that are in alignment with the water management and health programs specified under Pakistan's mid-to-long term national development plan and regional development plans. Considering Pakistan's project environment, the Korean government believes that it is optimal to carry out grant-based water management and health projects in cooperation with other donor organizations and international organizations working in the health sector.

a. Water management

The Korean government will support efforts to establish water supply and wastewater treatment infrastructures and strengthen their operation and management capacity with focus on major cities and strategic development regions.

b. Support for primary health care

The Korean government's support will include improving quality of service in health centers and hospitals, strengthening capacities of health workers, and improving health systems through technical cooperation which will ultimately contribute to the overall enhancement of public health.

Special attention will be given to cooperation opportunities with multilateral development banks (MDBs). The Korean government will strategically select target development areas and support health programs for the local governments with a focus on child and maternal health, measles and polio immunization, and nutritional improvement.

D. Rural Development

1. Needs Assessment

The agricultural sector is an essential part of the Pakistani economy, employing 45% of the Pakistani labor force and accounting for about 21% of the GDP. However, the shortage of irrigation facilities, food storage facilities, agricultural machinery, infrastructure, and poor agricultural technique hinder productivity which remains at a very low level.

2. Korea's Strength in Development

The Korean government successfully developed agricultural and rural areas **by improving agricultural productivity through agricultural technology development, training of rural leaders, and strengthening of capacities of human resources in rural areas.**

Improvement in agricultural productivity was achieved through a continuous process. The addition of value agricultural products was implemented along with the invention of advanced agricultural technologies, improvement of seeds, farming techniques, agricultural inputs, and infrastructures. Through this process, a large pool of human resources was also trained.

Rural development and poverty reduction was promoted through the improvement of agricultural village income and living conditions, development of infrastructure, and increasing awareness of the people based on the Saemaul Undong Initiative which promoted community spirit, self-sustenance, and cooperation.

3. Implementation Measures

Working with Pakistan's agriculture development strategies, the Korean government will support efforts to establish development plans, improve relevant systems, carry out project surveys, build infrastructure, and strengthen capacities of relevant institutions.

The Korean government will improve project effectiveness by developing various partnerships such as a direct partnership with Pakistan's government ministries and cooperation with international organizations.

The Korean government will not only contribute to agricultural development based on the establishment of relevant policies, but, also share the experience of rural development and advanced agricultural techniques through the training program of agricultural professionals in cooperation with relevant ministries and authorities.

III. Country Partnership Strategy (CPS) Evaluation Framework

Pakistan National Development Plan (Vision 2025) Achieve a knowledge-based, resource-constrained economic system by improving productivity, establishing governance, and opening the economy.				
CPS Strategic Goals				
Priority Areas	Goals	Expected Challenges	Achievements	Evaluation Index
Transport	<ul style="list-style-type: none"> - Improve productivity and achieve balanced regional development by expanding transport infrastructure - Strengthen capacities in the transport sector by sharing transport system management plans and policies 	<ul style="list-style-type: none"> - Poor road conditions (unpaved roads and regional inequalities) 	<ul style="list-style-type: none"> - Improve transport environment and establishment of transport infrastructure 	CPS Conformity (whether a project has been appropriately identified and developed in accordance with CPS goals) Project Implementation Status (whether projects have been implemented in alignment with CPS)
Energy	<ul style="list-style-type: none"> - Improve industrial productivity and the quality of life by expanding the power infrastructure - Strengthen capacities in the energy sector by sharing energy management plans and systems 	<ul style="list-style-type: none"> - Low electricity supply coverage and the big difference in electricity supply coverage between rural and urban areas - Inefficient fee collection system 	<ul style="list-style-type: none"> - Increase supply coverage of new renewable energy - Increase number of transmission and transformation facilities and power plants - Electricity system improvement consultation 	
Water Management and Health	<ul style="list-style-type: none"> - Improve the quality of life by expanding water management and health infrastructure - Strengthen mid-to-long term health systems and improve policies by strengthening personnel capacities in the health sector 	<ul style="list-style-type: none"> - Insufficient water supply, wastewater treatment, and basic health infrastructure - Big difference in health services between regions - Poor health services 	<ul style="list-style-type: none"> - Establish water management and health infrastructure - Reduce under five mortality rate and child and maternal mortality rate - Strengthen capacities of health workers 	
Rural Development	<ul style="list-style-type: none"> - Improve productivity and increase the income of small-scale farmers by strengthening technological capacities for agricultural production 	<ul style="list-style-type: none"> - Poor production infrastructure and lack of community spirit in villages 	<ul style="list-style-type: none"> - Strengthen agricultural technology capacities - Establishment of agricultural production infrastructure - Comprehensive development rural areas 	
Assumption		a. Natural disasters b. Impact of political change and public security issues		

IV. Mid-Term Allocation Plans

At least **70%** of Korea's ODA will be concentrated in the **priority areas** of bilateral cooperation while some flexibility will be applied in order to respond to urgent humanitarian demands and socio-economic changes in Pakistan.

However, policy plans and projects shall be adjusted based on program mission, policy dialogue, interim monitoring, and delay in projects and other possible changes in circumstances.

Budget allocation could also be adjusted during budget discussions and project planning stages, and is subject to parliamentary decision.

V. Partnership Plans

1. Partnership with the private sector

Public-private partnerships which utilize the expertise, knowledge, and abundant development resources of the private sector is, depending on the situation, an efficient way to greatly improve the effectiveness of projects. By priority, the Korean government will consider small-scale technical cooperation for rural development and the health sector.

2. Partnership at the field level

The Korean government plans to establish a close consultative group of organizations carrying out grant and loan projects in Pakistan to effectively develop projects that are in harmony with development demands.

Also, for large-scale infrastructure projects in the transport and energy sectors, the Korean government will cooperate with the relevant organizations or donors to plan projects that meet Pakistan's development needs, distribute and divide program projects according to the expertise and experiences of the organizations to achieve substantial results, and increase the positive impact of the projects.

3. Partnership with multilateral organizations

The Korean government will participate in aid consultative groups comprised of international organizations, multilateral development banks (MDBs), international non-government organizations (INGOs), and other donors to develop and jointly implement promising projects that are optimal for Pakistan's development needs.

Also, in order to carry out the projects that are crucial for Pakistan's national development but have high risk and poor accessibility in a country like Pakistan where project environment is poor, the Korean government will cooperate with

various international organizations and NGOs that specialize in specific areas and have the human/material network to carry out multilateral projects to transfer direct risks and to best utilize the expertise and local workforce that those organizations and donors have.

