

The Islamic Development Bank injects \$252.5m into Pakistan's vital projects

The Islamic Development Bank (IsDB), has approved \$252.5m for financing two vital projects in the Islamic Republic of Pakistan.



Source: Supplied

The projects mainly aim to support the country's green agenda in the energy sector as well as the ongoing efforts to counter the adverse impacts of the Covid-19 pandemic.

Chaired by IsDB president and chairman of the Board, H.E. Dr. Muhammad Al Jasser, the 343rd meeting of the bank's Board of Executive Directors, on 18 December last year, gave the green light to allocation of \$180m to contribute to financing of the strategic "Mohmand Dam and Hydropower Project" in Pakistan's Khyber-Pakhtunkhwa (KP) Province.

Once completed, Mohmand Dam will be the fifth highest Concrete-Face-Rock-Filled Dam (CFRFD) in the world and will add 800 MW to the country's installed hydropower capacity.

It will also provide sustainable, clean, potable water to 2 million residents in Peshawar city while boosting food security through vital support for irrigation and agricultural activities on 6,773 ha of new farmlands.



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Backing green, renewable energy

"It is my pleasure to announce that the Board of Executive Directors of the Bank approved a \$180m financing to contribute to this strategic, multi-purpose, green, renewable energy project," IsDB president, Dr Muhammad Al Jasser stated.

“We take pride in working alongside our partners from the Arab Coordination Group as well as other partners to see this great green project launched in due time. This is a testimony to the continuity of the strong partnership between IsDB and the government of Pakistan, in alignment with the country’s priorities and our own commitments to allocate more funding to climate-friendly projects.”

To date, Pakistan’s Energy sector has received the largest share of IsDB Group development interventions by absorbing 68.4% (about \$9.3bn) of the Group’s investments.



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Supporting Pakistan’s vaccination drive

Meantime, in a separate development, the Islamic Development Bank, also approved \$72.5m of funding on 13 December last year to support Pakistan’s nationwide vaccination efforts in the face of the ongoing Covid-19 pandemic.

Under this approval, the country’s “IVAC Covid-19 Vaccine Support Project” – also co-funded by the World Bank and the Asian Development Bank - will receive \$70m from IsDB as well as \$2.5m from IsDB’s Islamic Solidarity Fund for Development (ISFD).

The funding will contribute to Pakistan government’s efforts to vaccinate 70% of the population eligible for vaccination aged 18 years and above, including healthcare and frontline workers and other priority groups.

This comes in the framework of the second track of IsDB Group’s \$4.56bn Strategic Preparedness and Response Program (SPRP), specifically designed to support member countries with their health and economic recovery programs against the Covid-19 pandemic.

* Pakistan is a founding member of the IsDB and the 3rd largest beneficiary of IsDB Group financing. The development cooperation between the two parties goes back to 1970s when the first development operation in Pakistan was approved on 05 June 1977.

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