

Data Sheet

USAID Mission:	Pakistan
Program Title:	Economic Growth
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	391-006
Status:	Continuing
Planned FY 2005 Obligation:	\$6,000,000 DA; \$11,000,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$6,000,000 DA; \$11,000,000 ESF
Year of Initial Obligation:	2003
Estimated Year of Final Obligation:	2007

Summary: USAID's program to increase rural incomes and create employment in Pakistan aims, through training, technical assistance, and capacity building to increase access to credit among underserved populations, increase agricultural productivity for farmers in Balochistan, and improve competitiveness of small- and medium-size (SME) businesses.

Inputs, Outputs, Activities:

FY 2005 Program: Strengthen the Financial Sector's Contribution to Economic Growth (\$2,000,000 DA; \$5,250,000 ESF). USAID will continue to support the expansion of microfinance services into rural areas of Balochistan and Sindh provinces. The program is expected to reach an additional 100,000 clients in 2005. USAID's work to diversify the range of services benefiting the poor will continue, with increased emphasis on new and larger loan products as well as micro-leasing services. Principal grantees: KhushhaliBank, the Pakistan Poverty Alleviation Fund, and a grantee to be selected.

Improve Private Sector Growth (\$3,000,000 DA; \$3,750,000 ESF). USAID, working with the Government of Pakistan's Small and Medium Enterprise Authority, will fund several activities to increase the competitiveness of key Pakistani industries. These activities include developing sector strategies that capitalize on technology, human resources, and professional marketing; dialogue with the Government to remove investment constraints; creating sustainable financing instruments for SMEs; and technical assistance and training to increase Pakistani trade in regional and global markets. USAID will increase assistance to micro- and small entrepreneurs with new activities to raise rural incomes. These activities will focus on creating producer-to-market linkages, improving marketing, introducing new processing technologies, providing skills training, and support for business development services at the grassroots level.

An activity managed by the U.S. Department of Commerce will strengthen the Pakistan Intellectual Property Rights Organization, raise awareness among the public about intellectual property issues, and train judges on intellectual property rights enforcement practices.

Principal grantees or implementers include Robert Nathan Associates (competitiveness initiative), the U.S. Chamber of Commerce, the Pakistan Poverty Alleviation Fund, and the U.S. Department of Commerce.

Increase Agricultural Productivity (\$1,000,000 DA; \$2,000,000 ESF). USAID will help farmers in Balochistan acquire and adopt low-technology, arid agriculture farming practices suitable for a region devastated by years of drought. The activity will provide technical assistance, training, and grant support to test and disseminate better seeds, improve on-farm water practices, introduce high-value crops, improve livestock management, and encourage small scale processing activity.

A second activity will support the Peshawar University as it strives to become a leading regional training center in agriculture, particularly for fledgling Afghan agriculture institutions. Activities include training faculty, providing textbooks, and facilitating exchanges between Pakistan and Afghanistan faculty. Principle grantees: United Nations Food and Agriculture Organization and the University of Illinois.

FY 2006 Program: Strengthen the Financial Sector's Contribution to Economic Growth (\$4,000,000 DA). USAID will expand its microfinance activities to new geographical areas and entrepreneurs. Principle Grantees: Pakistan Poverty Alleviation Fund and a grantee to be selected.

Improve Private Sector Growth (\$1,000,000 DA; \$11,000,000 ESF). The competitiveness activity will be expanded to include work with the gems and jewelry, information-communications-technology, and horticulture sectors. Additional emphasis will be placed on developing the capacity of key institutions, including the Small and Medium Enterprise Development Authority (SMEDA) and universities, to support private sector expansion. Principal grantees: Nathan Associates, the U.S. Chamber of Commerce, the Pakistan Poverty Alleviation Fund, and the U.S. Department of Commerce.

Improve Agricultural Productivity (\$1,000,000 DA). USAID will continue to support arid agriculture and agricultural university programs. Principle Grantee: UNFAO and University of Illinois.

Performance and Results: Micro-finance activities posted substantial results in their first year of implementation. More than 80,000 loans were disbursed in rural areas of Balochistan and Sindh, approximately 30% of which went to women. Additionally, USAID mentored five organizations in developing credit products to address the credit needs of larger enterprises. Loans from these organizations averaged more than \$750, proving a vital resource for small business. More than \$800,000 in credit has been made available through these organizations.

In its first three months of implementation, the competitiveness activity concluded more than 15 workshops with Pakistani industry and senior government officials and successfully formed ten "sector working groups." These groups are actively formulating strategies, with the Government of Pakistan's full support, to increase their productivity and competitiveness.

US Financing in Thousands of Dollars

Pakistan

	DA	ESF
391-006 Economic Growth		
Through September 30, 2003		
Obligations	5,012	0
Expenditures	12	0
Unliquidated	5,000	0
Fiscal Year 2004		
Obligations	10,200	0
Expenditures	2,648	0
Through September 30, 2004		
Obligations	15,212	0
Expenditures	2,660	0
Unliquidated	12,552	0
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2005 NOA		
Obligations	6,000	11,000
Total Planned Fiscal Year 2005		
Obligations	6,000	11,000
Proposed Fiscal Year 2006 NOA		
Obligations	6,000	11,000
Future Obligations	0	0
Est. Total Cost	27,212	22,000