

Data Sheet

USAID Mission:	Pakistan
Program Title:	Economic Growth
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	391-006
Status:	Continuing
Planned FY 2006 Obligation:	\$7,310,000 DA; \$7,910,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2007 Obligation:	\$5,239,000 DA; \$20,684,000 ESF
Year of Initial Obligation:	2003
Estimated Year of Final Obligation:	2007

Summary: USAID programs in Pakistan facilitate opportunities for people to improve their standard of living and for industries to become more globally competitive. Addressing the needs of the drought-affected areas, USAID works with community organizations to introduce better agricultural practices, livestock management techniques, and water conservation methods in Balochistan. In the financial sector, USAID provides financial services, including credit, in previously neglected areas of Balochistan, Sindh, and the Federally Administered Tribal Areas (FATA). USAID also assists microfinance institutions and commercial banks to design and deliver financial products tailored for micro, small and medium-sized businesses throughout Pakistan. Through a competitiveness approach, USAID facilitates private sector-led economic reform through direct support to small- and medium-sized industries.

Inputs, Outputs, Activities:

FY 2006 Program:

Improve Private Sector Competitiveness (\$5,910,000 ESF). USAID and Government of Pakistan (GOP) co-financing is increasing key industry competitiveness in Pakistan's private sector by capitalizing on technology, human resources, infrastructure, and professional marketing. This assistance is helping to remove investment constraints by creating sustainable financing instruments for small- and medium-sized enterprises (SMEs), providing technical assistance and training to increase Pakistan's trade in regional and global markets, and reforming policies crucial for industrial growth. Sustainable or replicable outcomes are being funded on a matching basis with the private sector. USAID, the GOP, and U.S. and Pakistani academia are collaborating to initiate activities to develop a more skilled workforce for Pakistani industry. Together, they are identifying mechanisms to develop the workforce, in which job placement is a key component. An USAID-funded activity managed by the U.S. Department of Commerce (U.S. DOC) is strengthening the Pakistan Intellectual Property Rights Organization (PIPPO), raising public awareness about intellectual property issues, and training judges on PIPPO's enforcement practices. Principal Implementers: Nathan Associates and U.S. DOC.

Increase Agricultural Sector Productivity (\$4,155,000 DA). USAID is continuing to provide training to farmers in Balochistan on low technology and arid agriculture farming practices suitable for a region devastated by years of drought. The activity is providing 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. In addition, USAID is helping Pakistan's avian influenza testing facilities to monitor and continue work on curbing the disease in the region. Principal Implementers: United Nations Food and Agriculture Organization (FAO).

Strengthen the Financial Services Sector and Increase Access to Capital (\$3,155,000 DA; \$2,000,000 ESF). USAID is continuing to support the expansion of microfinance services into the FATA, Balochistan, and Sindh provinces to reach an additional 125,000 clients in 2006. USAID is diversifying the range of financial services catering to the needs of SMEs, including new and larger loan products as well as micro-leasing services. Principal Implementers: Khushhali Bank, Pakistan Poverty Alleviation Fund, and Shorebank Advisory Services.

FY 2007 Program:

Improve Private Sector Competitiveness (\$679,000 DA; \$17,684,000 ESF). USAID will expand its competitiveness projects into additional sectors to increase their competitiveness, invest further in workforce development, and work with the GOP to improve Pakistan's business environment. Principal Implementers: Nathan Associates and U.S. Chamber of Commerce.

Increase Agricultural Sector Productivity (\$2,000,000 DA). USAID will continue to support arid agriculture and teach farmers in Balochistan low technology and arid agriculture farming practices suitable for a region devastated by years of drought. The overall 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. In addition, it will also help avian influenza testing facilities in Pakistan to monitor and continue work on curbing the disease in the region. Principal implementer: FAO.

Strengthen the Financial Services Sector and Increase Access to Capital (\$2,560,000 DA; \$3,000,000 ESF). USAID will continue to support financial services through its current microfinance activities in existing areas. Diversification of financial services will continue to expand and include microfinance institutions, leasing companies, and formal financial institutions in the program. Principal Implementers: Khushhali Bank, Pakistan Poverty Alleviation Fund, and Shorebank Advisory Services.

Performance and Results: USAID's microfinance activities leveraged substantial support from other donors in their first two years; provided technical assistance for product portfolio diversification; disbursed over 135,000 loans in rural areas of Balochistan and Sindh, approximately 30% of which were made to women; and helped five organizations develop credit products for small enterprises, with loans averaging \$1,400 and a total of over \$3,500,000 in credit available. The competitiveness activity has successfully organized the dairy, marble and granite, and gems and jewelry industries into sector working groups. These groups are strategizing to upgrade production and increase profits with the active involvement of the government. Based on their recommendations, the GOP incorporated seven policy reforms to further help these sectors. USAID and the GOP co-financed a \$20 million Competitiveness Support Fund to provide technical assistance and capital for pilot projects that will provide more than 500,000 people with access to financial services. As a result of this activity, entrepreneurs will have greater choices for financial products, seven to nine industry sectors will be more competitive internationally, and 50,000 farmers will have better livelihood options.

US Financing in Thousands of Dollars

Pakistan

391-006 Economic Growth	DA	ESF
Through September 30, 2004		
Obligations	15,212	0
Expenditures	11,210	0
Unliquidated	4,002	0
Fiscal Year 2005		
Obligations	6,000	11,000
Expenditures	7	613
Through September 30, 2005		
Obligations	21,212	11,000
Expenditures	11,217	613
Unliquidated	9,995	10,387
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2006 NOA		
Obligations	7,310	7,910
Total Planned Fiscal Year 2006		
Obligations	7,310	7,910
Proposed Fiscal Year 2007 NOA		
Obligations	5,239	20,684
Future Obligations	0	0
Est. Total Cost	33,761	39,594