

Data Sheet

USAID Mission:	Pakistan
Program Title:	Emergency Economic Assistance
Pillar:	Global Development Alliance
Strategic Objective:	391-005
Proposed FY 2004 Obligation:	\$200,000,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$200,000,000 ESF
Year of Initial Obligation:	FY 2002
Year of Final Obligation:	FY 2005

Summary: The overall goal of U.S. assistance to Pakistan is to support peace in South Asia and fight terrorism. The Government of Pakistan's political and economic stability continues to be important to U.S. foreign policy objectives in South Asia.

Inputs, Outputs, Activities:

FY 2004 Program:

Debt relief (\$200,000,000 ESF). USG funds will provide a grant to the Government of Pakistan for debt relief under P.L. 108-106.

The overall goal of U.S. assistance is to support the Government of Pakistan during this time of economic hardship that has resulted from its support to the international war on terrorism. The budget support will be provided through a cash transfer agreement and will help the Government of Pakistan sustain robust social spending for education, health, and employment-creation programs.

The aftermath of the September 11, 2001 events in the United States and the Government of Pakistan's overt support to the United States in its efforts to destroy the Al Qaeda international terrorist network have had a tremendous economic impact on Pakistan. The drop in revenue due to the war has severely affected the Government of Pakistan's budget, particularly its ability to sustain spending in key social development areas like health, education, and the construction of critical local infrastructure (rural farm-to-market roads, small-scale irrigation, and potable water systems).

FY 2005 Program:

Debt relief and budget support (\$200,000,000 ESF). USG funds will provide continued assistance to the Government of Pakistan in FY 2005 for debt relief and budget support.

Performance and Results: The FY 2003 funds were provided as a cash transfer. These funds were used by the Government of Pakistan to meet critical foreign exchange needs for to repay debts to multilateral institutions. The availability of U.S. dollars to meet these costs enabled the Government of Pakistan to reallocate domestic resources within its budget to specific poverty reduction and social development activities.

Principal Contractors, Grantees, or Agencies: None.

Data Sheet

USAID Mission:	Pakistan
Program Title:	Economic Growth
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	391-006
Proposed FY 2004 Obligation:	\$7,000,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$6,000,000 DA; \$11,000,000 ESF
Year of Initial Obligation:	FY 2003
Year of Final Obligation:	FY 2007

Summary: USAID will help reduce poverty and increase income and employment opportunities for poor Pakistanis, especially women and young adults. The program will help micro-entrepreneurs start or expand businesses and bring microenterprise credit to some of the poorest and most isolated parts of Pakistan. USAID support will also increase incomes of poor farmers in Balochistan, by improving crop yields and access to local markets. Finally, USAID will help poor Pakistanis attend leading local universities to earn undergraduate and graduate degrees in business and agriculture through merit- and need-based scholarships.

Inputs, Outputs, Activities:

FY 2004 Program:

Increasing access to micro-credit and micro-finance services in the rural economy (\$5,000,000 DA). USAID will provide credit to about 58,000 borrowers, through established micro-finance institutions.

The program will also offer larger loans to successful micro-entrepreneurs to expand their businesses. USAID will provide technical assistance and training to local micro-finance institutions to increase services for these borrowers throughout Pakistan. Principal grantee: The Pakistan Poverty Alleviation Fund (PPAF).

USAID will support a leading micro-finance bank to expand micro-credit and microfinance services to Sindh and Balochistan. This program will establish four new branches, which will bring micro-credit and micro-finance services to poor Pakistanis for the first time. This assistance will also improve services at 10 existing branches, including mobile branches to reach remote areas. In addition, the program will provide technical assistance and training to improve client services. Principal grantee: Khushhalibank.

Agriculture and business studies scholarship program (\$1,000,000 DA). USAID will help establish and fund a national merit- and need-based scholarship program for students in agriculture and business studies. The program will enable poor Pakistanis to study at leading local universities that would not otherwise be affordable. Principal grantee: The Higher Education Commission (HEC).

Increasing rural incomes and employment opportunities (\$1,000,000 DA). USAID is designing a technical assistance and training program to help small farmers in arid Balochistan. The program will increase farmer access to local markets and increase household incomes by promoting the selection of appropriate crops and use of modern agriculture production practices that save water and vary crops. Principal grantee: The United Nations Food and Agriculture Organization (FAO).

FY 2005 Program:

Increasing access to micro-credit and micro-finance services in the rural economy (\$6,000,000 DA). USAID will continue to provide micro-credit loans and financial services.

US Financing in Thousands of Dollars

Pakistan

391-005 Emergency Economic Assistance	ESF
Through September 30, 2002	
Obligations	600,000
Expenditures	600,000
Unliquidated	0
Fiscal Year 2003	
Obligations	200,000
Expenditures	200,000
Through September 30, 2003	
Obligations	800,000
Expenditures	800,000
Unliquidated	0
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2004 NOA	
Obligations	200,000
Total Planned Fiscal Year 2004	
Obligations	200,000
Proposed Fiscal Year 2005 NOA	
Obligations	200,000
Future Obligations	0
Est. Total Cost	1,200,000