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# Quarterly Progress and Oversight Report on the Civilian Assistance Program in Pakistan

As of September 30, 2012



# Foreword

This is the eleventh quarterly progress and oversight report on the U.S. Government's civilian assistance program in Pakistan. The U.S. Embassy in Pakistan requested quarterly reporting to inform stakeholders about progress achieved to date, problems encountered during program implementation, and actions taken to address them.

This report covers the period from July 1 to September 30, 2012. The U.S. Embassy reported that, as of September 30, 2012, \$3.505 billion in civilian assistance funds for fiscal years 2010, 2011, and 2012 had been obligated and that \$3.078 billion had been spent since fiscal year 2010.

Program status information in this report is based on information provided by the departments and agencies working in Pakistan—the Departments of Agriculture, Commerce, Defense, and State and the U.S. Agency for International Development, U.S. Institute of Peace, and U.S. Trade and Development Agency. In most instances, this information has not been independently verified or audited. The information on program oversight comes from audits, reviews, and investigations performed by the Offices of Inspector General of the U.S. Agency for International Development and the Departments of Agriculture, Defense, Homeland Security, Justice, and State, as well as by the Government Accountability Office.

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# Contents

- Executive Summary..... 1
- Background..... 3
- Program Status..... 7
  - Energy..... 10
  - Economic Growth..... 13
  - Stabilization ..... 22
  - Education..... 31
  - Health..... 36
  - Crosscutting Priorities: Good Governance, Gender Equity, and Greater Transparency..... 39
  - Humanitarian Assistance..... 45
    - Assistance to Pakistani Institutions..... 55
- Staffing..... 59
- Risks and Mitigation Strategies..... 61
- Oversight Status..... 66
  - Department of Defense Office of Inspector General..... 66
  - Department of State Office of Inspector General..... 67
  - USAID Office of Inspector General..... 69
  - U.S. Department of Agriculture Office of Inspector General ..... 77
  - Government Accountability Office..... 78
  - Completed Oversight Reports as of September 30, 2012..... 80
- Appendix—Abbreviations..... 87

# Executive Summary

The Enhanced Partnership with Pakistan Act of 2009, Public Law 111-73 (October 15, 2009), authorizes democratic, economic, and development assistance to Pakistan of up to \$1.5 billion per year from fiscal year (FY) 2010 to FY 2014, for a total of \$7.5 billion. The U.S. Department of State's *Pakistan Assistance Strategy Report*, issued in December 2009, guides the U.S. Government's civilian assistance program in Pakistan, which is designed to build trust and a long-term partnership between the two countries by strengthening mutual security, stability, and prosperity.

The U.S. Embassy reported that, as of September 30, 2012, \$3.505 billion in civilian assistance funds for FYs 2010, 2011, and 2012 had been obligated and that \$3.078 billion had been spent since FY 2010. These funds are intended to address the country's most critical infrastructure needs, help the Pakistani Government meet its citizens' basic needs and provide improved economic opportunities, and strengthen Pakistan's capacity to pursue economic and political reforms that reinforce stability.

Challenges to implementation of the civilian assistance program in Pakistan remain in every sector. Limited local technical capacity has affected the implementation of many assistance efforts. Many programs operate under difficult security conditions, and implementing partners and program participants have been subject to criticism and harassment for their association with U.S. Government efforts. Program staffing and events have been hampered by the denial of visas and visa extensions to U.S. Government employees, and project personnel have been kidnapped and killed in areas where security is lacking. Despite these challenges, implementation of assistance programs continued.

The U.S. Agency for International Development (USAID) continued to implement programs through Pakistani institutions, including national and provincial governments and nongovernmental organizations (NGOs). During FYs 2010 and 2011, USAID awarded more than \$1.7 billion to governmental and nongovernmental Pakistani institutions. From October 1, 2011, through September 30, 2012, USAID made awards to these groups totaling \$492.1 million. To overcome risks to its programs and improve monitoring and oversight of them, USAID continued to conduct preaward assessments of local implementing partners. USAID also continued to fund broad-based monitoring and evaluation activities under an institutional contract to enhance the mission's oversight.

To protect USAID funds against waste and theft, USAID's Office of Inspector General (OIG) pursued hotline complaints and conducted investigations and audits. OIG investigators collaborated with the World Food Programme to investigate the theft and diversion of supplies from a food-for-education program and worked with the Sindh Department of Education to terminate employees involved in this activity. USAID OIG also worked with the Department of State (DOS) OIG to respond to a criminal scheme in the U.S. Embassy's Housing Office. Two locally engaged Embassy employees participating in the bribery scheme were terminated in July and the matter has been referred to Pakistan's National Accountability Bureau for local prosecution.

During the quarter, USAID OIG issued three performance audits, six financial audits, and an agreed-upon forensic procedures report relating to assistance programs in Pakistan. In total, these reports made 14 recommendations for program improvement and questioned more than \$12.4 million in costs. OIG's August 2012 performance audit of USAID's reconstruction program in earthquake-affected areas found that reconstruction activities had proceeded on time and within budget and that most facilities were being used by the Government of Pakistan for their intended purposes. Also in August, OIG released its audit of USAID's Gomal Zam Multipurpose Dam Project. The audit noted project achievements in helping meet water and energy needs in the surrounding area and its role in helping mitigate flood damage in 2011, but also observed that work on the dam was 3 months behind schedule. More recently, OIG issued its performance audit of the Assessment and Strengthening Program. The audit concluded that, despite the program's substantial efforts to build Pakistan governmental entities' institutional capacity, planning was inadequate. In addition, more than 1½ years after the program's launch, implementers had not finished any of the 46 activities planned for completion.

DOS OIG completed two Pakistan-related reports during the quarter. In September, DOS OIG released its evaluation of the Embassy's local guard force contract. Among other matters, the OIG team reported that the local guard force contractor did not have a contingency plan to replace guards on strike. As a result, it had to use unapproved guards to cover guard posts when a strike took place in June 2011. Also in September, DOS OIG issued an inspection report on support for DOS employees in Afghanistan, Iraq, and Pakistan. OIG inspectors concluded that DOS had not provided clear guidance to these missions on support for families and noted that families were not treated uniformly as a result.

Meanwhile, the Department of Defense (DOD) OIG completed its audit of a contract to overhaul Mi-17 aircraft including eight Pakistani aircraft. The Government of Pakistan aircraft were overhauled and returned to Pakistan, but delays in the process meant that the aircraft were not available for rescue and recovery operations during the 2010 floods. OIG auditors partially attributed the delays to a subcontractor and recommended that the U.S. Army consider suspending or debaring the firm from future work.

The U.S. Department of Agriculture (USDA) OIG issued a report this quarter on USAID funds transferred to USDA to build Pakistan's capacity for marketing and productivity in the agriculture sector. OIG auditors confirmed that \$10.9 million spent on the USDA programs was used properly, but could not fully assess the adequacy of monitoring and oversight controls because USDA was still in the process of establishing them at the time of the OIG review.

Finally, in July 2012, the Government Accountability Office (GAO) provided congressional testimony on U.S. Government efforts to counter the use of improvised explosive devices (IEDs) in Afghanistan and Pakistan. GAO's testimony indicated that the U.S. Government's counter-IED efforts faced challenges such as delays in obtaining visas and in the delivery of equipment. GAO noted that the U.S. mission needed to enhance its counter-IED performance measures to cover the full range of U.S.-assisted efforts.

# Background

The United States is Pakistan's largest reported source of bilateral development assistance and the largest contributor to Pakistan's leading providers of multilateral development assistance. U.S. civilian assistance to Pakistan is important to maintaining the long-term strategic partnership that the U.S. Government sought to forge with the Government of Pakistan and its citizens through the Enhanced Partnership with Pakistan Act of 2009, Public Law 111-73 (October 15, 2009). The act authorized \$1.5 billion per year for FYs 2010–2014, for a total of \$7.5 billion, to support democratic, economic, and development assistance.

In 2009, DOS developed a strategy for providing civilian assistance to Pakistan.<sup>1</sup> The strategy's objectives include addressing the country's most critical infrastructure needs; helping the Pakistani Government meet basic needs and provide improved economic opportunities, especially in areas most vulnerable to extremism; and strengthening Pakistan's capacity to pursue economic and political reforms that reinforce stability. The strategy initially focused on high-impact, high-visibility infrastructure programs, the provision of humanitarian and social services, and improved governance and security. In 2011, USAID and DOS refined the strategy to focus assistance on energy, economic growth, stabilization, education, and health. Programs in these sectors incorporate crosscutting themes of good governance, gender equity, and greater transparency.<sup>2</sup> In addition to civilian assistance efforts in these sectors, the U.S. Government seeks to provide fast and effective humanitarian relief when called upon for assistance.

Political and security conditions in Pakistan continued to complicate project design, implementation, and monitoring. U.S. Government personnel and implementing partners reported that delays in visa approvals and harassment by Pakistani officials have hindered the progress of assistance programs. U.S. Government personnel are subject to security-related travel restrictions, and project activities are often delayed or cancelled because of security concerns. In August, eight local staff members working on a USAID project were kidnapped and one was later confirmed dead. In September, when protests over an anti-Islamic video produced in the United States but denounced by the U.S. Government turned violent, U.S. official travel was further constrained and U.S.-supported assistance efforts hampered. According to a database of incidents of violence against aid workers, 25 aid workers were killed in Pakistan, 25 wounded, and 31 abducted from October 2009 to September 2012.<sup>3</sup>

Since the ratification of the Enhanced Partnership with Pakistan Act, the U.S. Congress has appropriated

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<sup>1</sup> *Pakistan Assistance Strategy Report*, December 14, 2009.

<sup>2</sup> Office of the Special Representative for Afghanistan and Pakistan, *Status Report: Afghanistan and Pakistan Civilian Engagement*, November 2011.

<sup>3</sup> Humanitarian Outcomes, *Aid Worker Security Database, 2009–12*, <https://aidworkersecurity.org/>, Retrieved October 10, 2012.

\$3.511 billion in civilian assistance funding for Pakistan through four foreign operations accounts. As of September 30, 2012, the U.S. Embassy in Islamabad reported that U.S. Government agencies had obligated \$2.587 billion of this total (Table I). Other assistance funds for Pakistan, such as International Disaster Assistance, Food for Peace, Migration and Refugee Assistance (MRA), and Emergency Refugee and Migration Assistance (ERMA), are not designated for use in specific countries during the appropriations process. These other funds are not shown in Table I.

**Table I. Civilian Assistance to Pakistan by Fund and Agency for  
Select Foreign Assistance Funds as of September 30, 2012  
(\$ Million; Unaudited)**

Fund	Appropriated*				Agency	Obligated
	FY 2010	FY 2011	FY 2012	Total		FYs 2010–2012
<b>Economic Support Fund (ESF)</b>	1,264.1	873.9	844.7	<b>2,982.7</b>	Department of Commerce (DOC)	1.8
					DOD	10.0
					DOS	72.7
					USAID	2,071.2
					USDA	28.9
					U.S. Institute of Peace (USIP)	3.0
					U.S. Trade and Development Agency (USTDA)	5.1
				<b>Subtotal</b>	<b>2,192.6</b>	
<b>Global Health and Child Survival (GHCS)</b>	29.7	28.4	–	<b>58.1</b>	USAID	<b>54.7</b>
<b>International Narcotics and Law Enforcement (INCLE)</b>	170.0	114.3	116.0	<b>400.3</b>	DOS	<b>284.4</b>
<b>Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR)</b>	23.9	24.8	20.8	<b>69.5</b>	DOS	<b>55.2</b>
<b>Total</b>	<b>1,515.6</b>	<b>1,086.4</b>	<b>1,001.5</b>	<b>3,510.6</b>		<b>2,586.9</b>

Source: DOS Office of Foreign Assistance Resources and U.S. Embassy Islamabad.

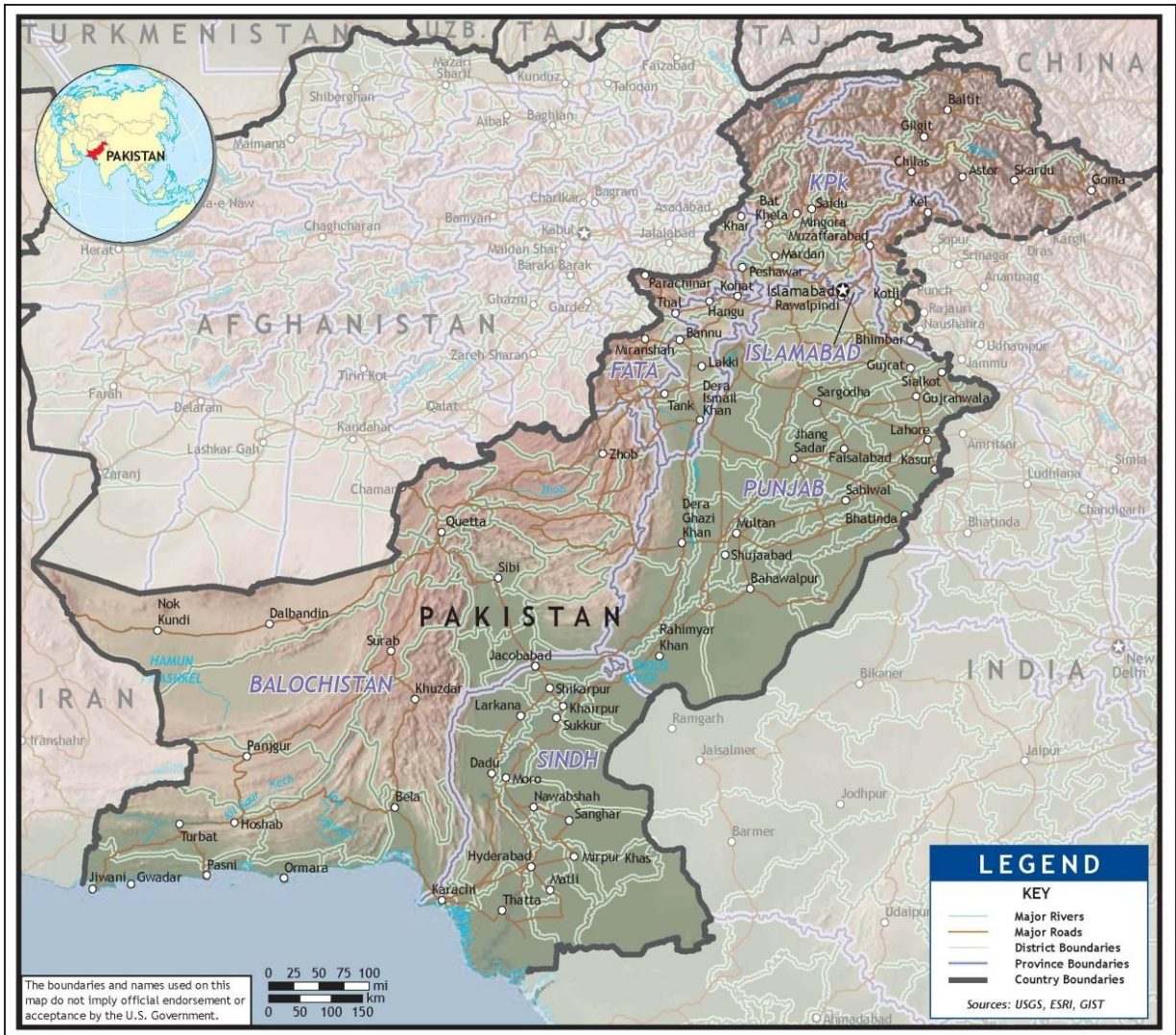
\* Reported amounts are limited to funds that were designated for use in Pakistan during the appropriations process. Foreign operations appropriations for FY 2010 were provided in the Consolidated Appropriations Act, 2011, Public Law 111-117 (December 16, 2009) and the Supplemental Appropriations Act, 2010, Public Law 111-212 (July 29, 2010). Foreign operations appropriations for FY 2011 were provided in the Department of Defense and Full-Year Continuing Appropriations Act, 2011, Public Law 112-10 (April 15, 2011), and foreign operations appropriations for FY 2012 were provided in the Consolidated Appropriations Act, 2012, Public Law 112-74 (December 23, 2011). The latter act also provided the basis for rescissions that were applied to appropriations for Pakistan.

GHCS, INCLE, and NADR funds are each obligated for assistance activities in a single sector. GHCS funds support health sector activities, while INCLE and NADR funds support stabilization efforts. By contrast, ESF money is used in all of the components of the U.S. Government's civilian assistance program in Pakistan. All energy, economic growth, and education activities are funded through ESF, and ESF provides most of the funding for health programs and those that support good governance, gender equity, and greater transparency. ESF also accounts for about a quarter of U.S. humanitarian assistance and stabilization sector obligations.

The President's budget request for FY 2013 included \$1.071 billion in ESF, INCLE, and NADR funds for civilian assistance to Pakistan. While Congress has not settled on final funding levels for FY 2013, it passed a resolution in September to continue funding federal programs and activities through March 27, 2013. This resolution did not set annual funding levels for assistance to Pakistan.



## Map of Pakistan



Source: USAID Office of Transition Initiatives, Geographic Information Unit.

# Program Status

The U.S. departments and agencies delivering development assistance in Pakistan are implementing programs in energy, economic growth, stabilization, education, and health; the crosscutting areas of governance, gender equity, and greater transparency; and humanitarian assistance. Table 2 and the sections that follow it provide information on the status of the programs in these areas.

The U.S. Embassy reported that as of September 30, 2012, \$3.505 billion in civilian assistance funds from FYs 2010, 2011, and 2012 had been obligated and that \$3.078 billion in funding had been spent to support the civilian assistance strategy since FY 2010 (Table 2).

**Table 2. Civilian Assistance to Pakistan by Sector, Agency, and Fund as of September 30, 2012 (\$ Million; Unaudited)**

Managing Agency or Office	Fund	Obligated*				Disbursed FYs 2010–2012†
		FY 2010	FY 2011	FY 2012	Total	
<b>Energy</b>						
USAID	ESF	98.3	237.5	–	335.8	156.5
<b>Subtotals</b>		<b>98.3</b>	<b>237.5</b>	<b>–</b>	<b>335.8</b>	<b>156.5</b>
<b>Economic Growth</b>						
DOC	ESF	0.8	1.0	–	1.8	3.1
USAID	ESF	284.6	264.1	–	548.8	360.8
USDA	ESF	18.9	10.0	–	28.9	17.0
USTDA	ESF	2.1	3.0	–	5.1	3.6
<b>Subtotals</b>		<b>306.4</b>	<b>278.1</b>	<b>–</b>	<b>584.5</b>	<b>384.5</b>
<b>Stabilization</b>						
DOD	ESF	10.0	–	–	10.0	1.0
Economic Section, U.S. Embassy	NADR	15.0	10.7	–	25.7	–

Managing Agency or Office	Fund	Obligated*				Disbursed FYs 2010–2012 <sup>†</sup>
		FY 2010	FY 2011	FY 2012	Total	
Bureau of International Narcotics and Law Enforcement Affairs (INL), DOS	ESF	–	–	–	–	14.5
	INCLE	166.0	114.4	4.0	284.4	121.7
Political Section (POL), U.S. Embassy	NADR	1.6	1.8	0.8	4.2	2.6
Regional Security Office (RSO), U.S. Embassy	NADR	15.4	10.0	–	25.4	22.6
USAID	ESF	43.2	49.6	–	92.8	155.9
USIP	ESF	3.0	–	–	3.0	1.6
<b>Subtotals</b>		<b>254.2</b>	<b>186.4</b>	<b>4.8</b>	<b>445.4</b>	<b>319.9</b>
<b>Education</b>						
Public Affairs Section (PAS), U.S. Embassy	ESF	19.5	19.5	19.5	58.5	58.0
USAID	ESF	206.4	82.3	–	288.7	207.6
<b>Subtotals</b>		<b>225.9</b>	<b>101.8</b>	<b>19.5</b>	<b>347.2</b>	<b>265.6</b>
<b>Health</b>						
USAID	ESF / GHCS	224.3	84.7	–	309.1	196.2
<b>Subtotals</b>		<b>224.3</b>	<b>84.7</b>	<b>–</b>	<b>309.1</b>	<b>196.2</b>
<b>Crosscutting Priorities: Good Governance, Gender Equity, and Greater Transparency</b>						
Bureau of Democracy, Human Rights, and Labor (DRL), DOS	Development Assistance	–	<0.1	–	<0.1	<0.1
	ESF	5.0	–	–	5.0	1.2
	Human Rights & Democracy Fund <sup>‡</sup>	2.1	–	–	2.1	1.5
PAS	Consular and Diplomatic Programs	6.9	9.5	25.1	41.5	14.6
	ESF	–	9.2	–	9.2	9.2
USAID	ESF	97.6	118.4	–	216.0	81.0
<b>Subtotals</b>		<b>111.6</b>	<b>137.1</b>	<b>25.1</b>	<b>273.9</b>	<b>107.5</b>

Managing Agency or Office	Fund	Obligated*				Disbursed FYs 2010–2012 <sup>†</sup>
		FY 2010	FY 2011	FY 2012	Total	
<b>Humanitarian Assistance</b>						
Bureau of Population, Refugees, and Migration (PRM), DOS <sup>§</sup>	MRA	42.0	39.8	–	81.8	108.6
	ERMA	49.3	2.7	–	52.0	33.0
	ESF	334.7	–	–	334.7	688.2
	Food for Peace	96.8	115.1	68.1	279.9	280.1
USAID	International Disaster Assistance	359.7	60.1	41.0	460.7	537.7
<b>Subtotals</b>		<b>882.5</b>	<b>217.6</b>	<b>109.0</b>	<b>1,209.2</b>	<b>1,647.5</b>
<b>Totals</b>		<b>2,103.4</b>	<b>1,243.2</b>	<b>158.5</b>	<b>3,505.1</b>	<b>3,077.6</b>

Source: U.S. Embassy Islamabad.

Note: Numbers do not always sum to subtotals and totals because of rounding. A dash indicates a value of zero.

\* Obligations are reported by the fiscal year in which funds were appropriated.

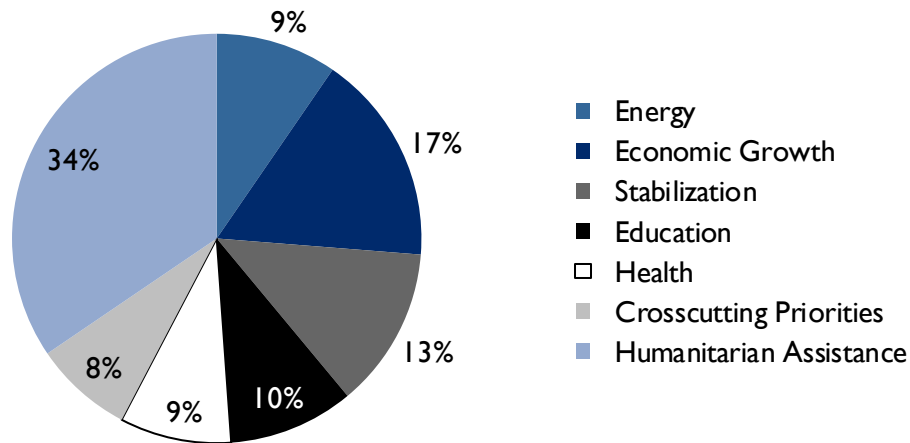
† Disbursement figures refer to funds disbursed in FYs 2010–2012 regardless of when they were appropriated or obligated. Some disbursements this period were of funds appropriated before FY 2010. As a result, these figures cannot be used to determine how much of the obligated funding reported in this table remains unexpended.

‡ DRL has provided additional assistance to Pakistan as part of a grant program that also funds activities in Saudi Arabia. Because the level of funding provided for activities in Pakistan in particular is not available, funds associated with the grant program are not included in this table.

§ In addition to these funds, PRM provides funding to assist Afghan refugees in the region, including those in Pakistan. PRM obligated \$232.7 million in FY 2010–2012 funds and disbursed \$189.8 million from October 1, 2009, to September 30, 2012, for this regional effort.

U.S. civilian assistance funds are not distributed evenly across sectors. As shown in the following graphic, the U.S. Government has concentrated the largest share of its obligations since FY 2010 on humanitarian assistance efforts.

## Distribution of Civilian Assistance Obligations by Sector



Source: U.S. Embassy Islamabad.

### Energy

Nearly half the Pakistani population lacks access to modern energy services and blackouts are a common feature of daily life. According to the Asian Development Bank, Pakistan's unpredictable, severe power outages are estimated to reduce economic growth by at least 2 percent a year. Moreover, high subsidies, low tariff collection rates, and distorted prices have discouraged private companies from investing in energy infrastructure and building additional capacity.

Last quarter, diminished hydroelectric generation because of low water levels resulted in rolling blackouts that often lasted 8 to 20 hours, constraining economic development and disrupting health, education, and other services. In July and August, anger over limited electrical supplies led to riots in several parts of the country. Heavy monsoon rains during September raised reservoir levels, which in turn increased power generation and reduced the intensity of blackouts in the country.

The U.S. Government and other donors provide technical assistance to help the Pakistani Government develop appropriate energy pricing, regulatory, and privatization policies and assist in implementing Pakistan's energy reform plan. In addition, the United States aims to increase electricity generation, decrease transmission losses, and increase cost recovery by investing in selected energy infrastructure and capacity-building activities.

**USAID.** USAID has eight energy programs under way (Table 3). To meet growing energy demands, USAID's programs seek to help the Pakistani Government supply hydropower through the completion of the Gomal Zam and Satpara Dams and the rehabilitation of the Tarbela Dam. USAID is also rehabilitating three thermal power stations. In July 2012, USAID ended its Energy Efficiency Program,

which demonstrated potential energy savings in the agriculture sector by replacing old, inefficient tube well pumps with more efficient equipment. Table 3 lists USAID's active energy programs.

**Table 3. USAID Energy Programs as of September 30, 2012 (Unaudited)**

<b>Name</b>	<b>Description</b>	<b>Start Date</b>	<b>End Date</b>	<b>Implementing Partner</b>	<b>Funding (\$)</b>
<b>Energy Policy Project</b>	Provides technical and engineering support to USAID-funded infrastructure projects implemented by the Government of Pakistan	10/08	1/15	Advanced Engineering Associates International	16,336,559
<b>Gomal Zam Dam Project</b>	Increases hydropower capacity and builds transmission lines	1/11	12/12	Water and Power Development Authority (WAPDA)	40,000,000
<b>Guddu Project</b>	Repairs and maintains a thermal power station	5/10	6/13	Central Power Generation Company Limited	18,068,000
<b>Jamshoro Project</b>	Rehabilitates a thermal power station	5/10	6/13	Jamshoro Power Company Limited	18,360,000
<b>Muzaffargarh Project</b>	Rehabilitates a thermal power station	5/10	6/13	Northern Power Generation Company Limited	15,193,000
<b>Power Distribution Project</b>	Improves management capacity, financial systems, billings, and collections of power distribution companies	9/10	3/15	International Resources Group	29,499,409
<b>Satpara Dam Project</b>	Increases hydropower capacity by 17 megawatts	1/11	4/13	WAPDA	19,000,000
<b>Tarbela Dam Project</b>	Rehabilitates a hydropower station	4/10	12/12	WAPDA	16,500,000

Source: USAID/Pakistan.

As of September 30, 2012, USAID reported that 500 megawatts of power had been added to or saved in Pakistan's national grid as a result of U.S. Government-supported construction and rehabilitation

efforts. This amounts to more than 4 percent of power generation reported by the Ministry of Water and Power at the start of October 2012.

USAID also reported the following accomplishments in its portfolio of energy programs:

- Progress continued on the six signature energy projects involving rehabilitation and construction of hydroelectric and thermal power plants that Secretary Clinton announced in October 2009 and July 2010. During the reporting period, cash reimbursements to the Government of Pakistan to support these activities continued. Cumulative U.S. Government reimbursements for these projects totaled approximately \$87 million by the end of September 2012.
- Since early 2010, projects at the thermal power plants at Jamshoro and Muzaffargarh have added 25 megawatts and 280 megawatts, respectively, of power generation capacity, and work on the Tarbela Dam has increased its power generation capacity by 128 megawatts. Now that this power generation capacity has been installed at the Tarbela Dam, project efforts are focused on completing the computer system to monitor and control the dam and the digital controls for the dam's turbines—features that will contribute to the long-term sustainability of the power plant.
- The Guddu Thermal Power Plant worked to establish a credit line for making payments to General Electric for implementing their agreement to rehabilitate a portion of the power plant that will add an estimated 75 megawatts to Pakistan's national grid.
- The Power Distribution Project has saved 72.3 megawatts of energy flow in the grid by introducing new technology and improving work practices in all nine government-owned distribution companies. More than 1 million Pakistanis have directly benefited from the resulting improved access to power.
  - During the quarter, the Power Distribution Project signed agreements with vendors for the procurement of 46,000 automatic meter readers and electronic meters, 670 kilometers of cable, 6,200 low-voltage current transformers, and 26,000 capacitors. Once these items are installed, they are expected to help reduce electricity losses in targeted subdivisions by 12 percent. Network losses in selected pilot subdivisions have been reduced by an average of 10 percent as a result of improved commercial practices (such as improved meter reading, billing, and collections) and infrastructure investments (such as replacing damaged or outdated meters and transformers, and installing aerial cable). To date, more than 15,000 meters have been assessed and, where necessary, reconnected, repaired, or replaced under the project, reducing electricity losses and improving billing accuracy.
  - Capacity building for distribution company personnel continued this quarter with special focus on power system management and loss reduction. Planning and engineering departments at all nine distribution companies received geographic information system and advanced system planning software, supporting hardware, and specialized training, and units to monitor power

quality were established at four distribution companies with Power Distribution Project assistance.

- To date, more than 3,100 power utility employees have received training to improve operational performance, customer service, and financial results. Training activities this quarter took place in commercial operations, power system management, communications, human resource management, safety, operations and maintenance, gender issues, and other areas.
- More than 900 distribution company linemen have received quick-impact safety training from instructors trained by the Power Distribution Project. Once initial training has been completed, the distribution companies will carry on delivery of the training program using their own resources, thereby extending safety training to remaining line staff members. Serious injuries or deaths of distribution company linemen have dropped by 86 percent since the training program began.

USAID reported that implementing energy projects at the Guddu, Jamshoro, and Muzaffargarh thermal power plants remains a challenge. These generating companies are having difficulty completing their procurements, which has slowed project disbursements. In response, USAID has increased capacity building for thermal plant personnel in procurement, financial and human resources, and administrative management. In addition, \$15.5 million in credit was extended to the Guddu power plant during the reporting period to aid in the procurement of equipment for the facility. USAID has also worked closely with Pakistan's Ministry of Water and Power and the Economic Affairs Division of the Ministry of Economic Affairs and Statistics to address project bottlenecks.

## Economic Growth

Over the past 3 years, Pakistan has experienced high inflation and relatively low or stagnant economic growth—stagflation. The combination of stagflation, falling exports, and multibillion-dollar repayments to the International Monetary Fund has reduced confidence in the rupee, and these factors could contribute to balance-of-payments problems for Pakistan.

Sixty percent of Pakistanis live on \$2 or less a day, and more than one in five live on less than \$1.25 a day. Only half of Pakistanis over the age of 15 are employed and, although small businesses provide the majority of new employment, they lack access to finance. Similarly, the agriculture sector, which accounts for 21 percent of Pakistan's gross domestic product and employs 44 percent of the labor force, is constrained by insufficient investment and inappropriate policies.

The U.S. Government's assistance program for Pakistan is designed to stimulate broad-based, inclusive economic growth, particularly in agriculture, trade, and entrepreneurship, through projects that support policy reform, improve access to finance, improve trade conditions, assist in workforce development, increase agricultural productivity, and improve water management. DOC, USAID, USDA, and USTDA support programs under this category of assistance.



**DOC.** DOC has six programs and activities that support the Embassy's economic growth initiative.

- *Market research.* This program aims to provide interested investors with information about promising sectors of Pakistan's economy.
- *Preliminary information memorandum development.* This activity is designed to highlight projects with high potential for financial return.
- *Event management.* DOC sponsors investment promotion events and business exchanges between Pakistan and the United States under its Event Management Program. These exchanges include DOC-led Pakistani delegations to trade shows and industry conferences in the United States and to regional trade shows with a significant U.S. exhibitor presence. Delegates use these events to meet with prospective partner companies and suppliers, view technologies for increasing their efficiency and competitiveness, and identify sectors into which they could profitably diversify.

In 2013, DOC plans to expand the number of delegations it sponsors under the program while strengthening links to USTDA activities and to other DOC programs. Plans for 2013 include support for delegations in the areas of information technology for financial institutions; franchising; packaging, logistics, and cold chain management; health care; and alternative and smart energy. In addition, DOC plans to expand its use of regional trade shows in the United Arab Emirates, where delegates can easily obtain visas and travel costs are reduced. DOC also has plans to host industry-focused digital videoconferences to help U.S. companies establish initial contact with Pakistani counterparts in a secure environment.

- *Commercial law.* The Commercial Law Development Program provides technical assistance in commercial law to foreign governments and private sector representatives with the aim of supporting their economic development goals. In September, DOC led a delegation of Pakistani officials and university and private sector representatives to the United States to learn more about approaches for strengthening university-to-industry partnerships for commercializing university-based research. The program gave participants a deeper understanding of the policies and tools used by U.S. universities to develop research solutions for industry needs. At the end of the program, two industry representatives reached out to participating university officials and offered seed capital funds for start-up university projects and collaboration on a robotics incubator.
- *Business training for export diversification.* In late August, DOC partnered with the Office of the U.S. Trade Representative, DOS, the Center for International Private Enterprise, and the Trade Development Authority of Pakistan to deliver a round table in Karachi on expanding and diversifying Pakistan's exports to the United States. The event attracted 80 Pakistani business leaders and received positive television and print media coverage. DOC and its interagency partners plan to build on this event with follow-on support for entrepreneurs in FY 2013—for instance, through direct support in answering questions that arise about the U.S. Generalized System of Preferences

(GSP).<sup>4</sup> The success of planned efforts in this area will be measured by the rate of GSP utilization along with the change in the proportion of Pakistan's GSP-eligible exports to the United States.

- *Business internship training.* DOC's Pakistan Special American Business Internship Training (SABIT) is designed to accelerate the diversification of Pakistan's exports and to connect Pakistani entrepreneurs with the business partners and suppliers they will need to help sustain Pakistan's economic growth. DOC completed two SABIT programs in 2012 that provided business networking and training sessions in the United States for manufacturers of surgical instruments and business leaders in the gems and jewelry industry.

In FY 2013, DOC plans to continue support for the surgical instruments sector by (1) sponsoring digital videoconference training events on quality control and U.S. Food and Drug Administration standards, (2) facilitating industry-to-university linkages and market research for the Pakistani surgical instruments sector, and (3) exploring opportunities for the sale of U.S. equipment and machinery requested by Pakistan's surgical instruments industry. Planned support for the gems and jewelry industry includes a new SABIT program built around the premier industry trade show in the United States in June 2013.

In addition to these programs, DOC is considering several service-oriented program opportunities including a Pakistan franchising initiative that would bring together Pakistani entrepreneurs and DOC experts on business training and the legal aspects of franchise development. Tentative plans call for a delegation to be selected to visit the United States in June 2013 to participate in the International Franchise Expo in New York City.

DOC has reported that the visa approval process continues to complicate its SABIT programming efforts. Participant recruitment efforts must be accomplished under tight time constraints because SABIT programs are often built around trade shows. However, the visa approval process makes it difficult to recruit SABIT program candidates because their visas can take 6 months or longer to process.

**USAID.** USAID currently has ten programs and three transfers of funds to other agencies (Table 4) that contribute to agricultural and economic growth objectives. These programs support trade facilitation, development of provincial irrigation systems, and production and sale of agricultural commodities, among other activities.

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<sup>4</sup> The U.S. Generalized System of Preferences promotes economic growth in the developing world by providing preferential duty-free entry for products imported from designated beneficiary countries and territories.

**Table 4. USAID Programs to Promote Economic Growth as of September 30, 2012  
(Unaudited)**

<b>Name</b>	<b>Description</b>	<b>Start Date</b>	<b>End Date</b>	<b>Implementing Partner</b>	<b>Funding (\$)</b>
<b>Agribusiness Project</b>	Increases productivity, product quality, and competitiveness of agribusiness value chains*	11/11	11/16	Agribusiness Support Fund	36,700,000
<b>Agriculture Policy Project</b>	Strengthens evidence-based policy analysis for food security and macroeconomic stability	7/11	7/15	International Food Policy Research Institute	23,600,000
<b>Balochistan Agriculture Project</b>	Helps improve livelihoods and food security	1/09	12/15	United Nations (UN) Food and Agriculture Organization	16,300,000
<b>Dairy Project</b>	Improves milk production and increases sales	7/11	7/14	Dairy and Rural Development Foundation	4,000,000
<b>Entrepreneurs Project</b>	Supports women's microenterprises in vulnerable areas	6/09	6/14	Mennonite Economic Development Associates	26,826,069
<b>Firms Project</b>	Assists small and medium-size enterprises in areas vulnerable to conflict to help them become internationally competitive	5/09	4/13	Chemonics	72,388,726
<b>Gomal Zam Irrigation Project</b>	Provides flood control and irrigation water to 191,000 acres to increase agricultural output	10/11	9/14	WAPDA	79,256,031

<b>Name</b>	<b>Description</b>	<b>Start Date</b>	<b>End Date</b>	<b>Implementing Partner</b>	<b>Funding (\$)</b>
<b>Grain Storage Project</b>	Provides technical expertise to support the establishment of public-private partnerships for managing, handling, and storing strategic grain reserves	4/11	10/12	International Finance Corporation	2,500,000
<b>Satpara Irrigation Project</b>	Provides flood control and irrigation water to 15,000 acres to increase agricultural output	1/11	3/17	WAPDA / Aga Khan Foundation	19,628,000
<b>Trade Project</b>	Improves customs procedures and the Pakistani Commercial Service to increase exports and trade at the Afghan border	6/09	6/13	Deloitte	20,323,820
<b>Transfer to DOC</b>	Provides business and legal capacity building and exchanges for Pakistani entrepreneurs, and representatives of government ministries, universities, and legal and business institutions	2011	Reviewed annually	DOC	4,000,000
<b>Transfer to USDA</b>	Improves production and sales of commodities, enhances government research and extension work, and helps eradicate agricultural diseases	2009	Reviewed annually	USDA	40,000,000
<b>Transfer to USTDA</b>	Conducts feasibility studies and provides technical assistance in transportation, energy, information technology, and food security	2009	Reviewed annually	USTDA	8,000,000

Source: USAID/Pakistan.

\* A value chain includes all activities required to produce a product or service and deliver it to the final customer. Value chains include activities such as production, marketing, and distribution.

As of September 30, 2012, USAID reported that 821,112 rural households had benefited directly from U.S. Government assistance. USAID also reported the following regarding developments and achievements in its portfolio of economic growth and agricultural programs:

- The Agribusiness Project assessed horticulture and livestock sector status and established geographic target areas for interventions. The project trained 15 participants in quality certification for fruit, vegetable, and livestock products and provided technical training to 170 producers and processors. These events help prepare participants to meet internationally recognized certification standards for food processing and packaging and to apply good agricultural practices in horticulture, livestock, and dairy. The project recently received more than 4,700 applications in response to its extensively advertised call for proposals for grants to finance the expansion of business in the horticulture and livestock sectors.
- The Agriculture Policy Project completed data entry from a rural household survey and readied the data for analysis. The project is now conducting a pilot survey of irrigation and agricultural production in 19 districts, where it will collect data from 980 farm households. Meanwhile, the project provided the Ministry of Finance with the results of economic modeling that showed the macroeconomic effects of electricity subsidies and demonstrated the importance of agriculture in reducing poverty.
- The Balochistan Agriculture Project constructed 4 drinking water facilities and 40 water diversion structures, rehabilitated 2 underground channels, and conducted 9 land-leveling activities. The project also completed 12 training activities on fruit orchard management, 10 on food processing for women, 8 on rural poultry management, 4 on leadership skills, and 1 on wool shearing. In addition, it sponsored four marketing missions and 5 field days for livestock farmers.
- During the quarter, the Dairy Project, a partnership with Nestle, trained 773 farmers in farm and livestock management, 253 technicians in artificial insemination, and 158 female livestock extension workers in livestock management and milk-marketing techniques.
- The Entrepreneurs Project registered and trained 8,370 producers in improved production practices during the quarter, bringing the total number of microenterprise owners benefiting from this project to 31,329. Further evidence of the project's effectiveness emerged during the quarter, as the Hashoo Foundation, a local NGO and project partner, completed a survey to assess the results of the project's dairy sector work in two villages in Bahawalpur District of Punjab Province. The survey showed a 29 percent increase in average milk yields per animal and a 38 percent increase in net sales by the beneficiaries.

- The Firms Project launched the final phase of its efforts to promote tourism in Swat with the release of a radio campaign. The campaign's programs and advertisements highlight USAID's role in rehabilitating Swat with a particular emphasis on the project's work with Swat's tourism sector. The project also distributed equipment and tools—including hand carts, plastic crates, waterproof tarpaulins, orchard sprayers, and ladders—to 45 date farmers. In addition, with project assistance, the Murtaza Agriculture Farm in Sindh made its first commercial sea shipment of 16 tons of mangoes to the European Union.
- Work by WAPDA on the Gomal Zam Irrigation Project continued as planned. However, progress in the second half of the quarter slowed because of extreme weather—temperatures exceeding 40°C followed by torrential monsoon rains—and the kidnapping of WAPDA employees in mid-August. Despite these disruptions, WAPDA completed work on the diversion barrage and the main canal lining, and more than half of the work on the secondary canal lining as well as 40 percent of planned drainage work.
- In 2011, the Trade Project initiated research on Pakistan-India trade liberalization in collaboration with the Beaconhouse National University's Institute of Public Policy. The research is to inform policy decisions and raise public and private sector awareness of cross-border trade issues. As of September 2012, the project had completed two of five planned studies. Also during the quarter, project advisers updated their initial assessment of operations and facilities at the Wagah-Attari border crossing.

USAID reported that security conditions and visa delays posed challenges in implementing economic growth and agricultural programs. In late March, a Balochistan Agriculture Project vehicle was attacked, and two people associated with the project were killed and a third injured. In mid-August, eight workers on the Gomal Zam Dam were kidnapped, and one was subsequently killed. A video showing the worker in captivity and then his dead body was posted online. The USAID mission also noted that obtaining long-term visas for expatriate implementers poses a significant challenge.

**USDA.** USDA continues to manage implementation of agricultural development programs with funding from USAID. These programs are designed to increase agricultural productivity through technical exchanges, agricultural research, and control of plant and animal diseases. USDA programs are implemented through international organizations, which, in turn, work with Pakistani universities, Pakistani agricultural research groups, and government agencies to implement program activities.

USDA reported the following examples of progress and success for the quarter:

- Two groups of U.S.-based scientists visited Pakistan to review the progress of programs to enhance the production of wheat and cotton. The groups evaluated 2012 trials, reviewed laboratory results, and finalized program research plans for 2013.

- During the quarter, USDA sponsored several international training opportunities for Pakistani scientists:
  - Eleven Cochran Fellows traveled to the United States for advanced training in fisheries and aquaculture technology.<sup>5</sup>
  - Eight Borlaug Fellows traveled to Kenya to train with International Maize and Wheat Improvement Center pathologists and evaluate Pakistani wheat varieties for disease resistance.<sup>6</sup>
  - Four Pakistani Fellows received training on molecular and genomic analysis of cotton leaf curl virus and resistance in cotton varieties at USDA's Agricultural Research Service, Texas A&M University, and the University of Arizona.
- Under the USDA Program for Progressive Control of Foot and Mouth Disease, 22 senior Pakistani federal and provincial veterinarians traveled to Turkey. There they met with animal health regulatory officials and visited dairy farms to gain a better understanding of the technical and regulatory measures required to control the disease. Meanwhile, ongoing surveys of vaccinated animals in dairy colonies and villages in Pakistan continued to show control of foot and mouth disease.
- The development of course modules continued under the Plant and Animal Health Regulatory Capacity Building Program, with completion of the first module expected in October 2012. In addition, four Pakistani government officials traveled to the United States to participate in a USDA course on the U.S. approach to protecting plant health and facilitating trade in agricultural products.
- Under the Watershed Rehabilitation Program, construction of irrigation systems, rainwater harvesting dams, and water and soil conservation devices was completed at six demonstration sites. Ten Farmer's Days were held at the sites, where more than 700 farmers attended technology demonstrations.
- USDA's primary partner for the Aquaculture Feed Trial and Fisheries Productivity Enhancement Program, the American Soybean Association, signed an agreement with a Pakistani partner firm, Oryza Feeds, to produce soy-based fish feed with feed manufacturing equipment provided by the project.

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<sup>5</sup> USDA selects mid- and senior-level professionals from middle-income countries, emerging markets, and emerging democracies in the fields of agricultural trade, agribusiness development, management, policy, and marketing as Cochran Fellows. Fellows under the program receive training to improve local agricultural systems and enhance trade links with the United States.

<sup>6</sup> USDA selects Borlaug Fellows from among early- and mid-career agricultural researchers and policymakers in developing and middle-income countries. Borlaug Fellows are provided research and training opportunities under the program and receive up to 12 weeks of U.S.-based training a year.

- Under the Remote Sensing for Crop Estimation Program, baseline assessments of the crop reporting and remote sensing capacity of Punjab and Sindh crop reporting services were completed. These baseline assessments were then used to identify computer hardware and software needs and to develop a prioritized procurement list.

USDA continues to work with provincial government authorities and successfully engage with the new Ministry of National Food Security and Research. During this 3-month period, USDA also continued to strengthen its technical links with government agencies and research centers and with Pakistani universities by sponsoring exchange programs and site visits from USDA technical experts in watershed management, crop forecasting, wheat, and cotton.

**USTDA.** USTDA activities emphasize infrastructure improvement in energy, transportation, and information technology. These activities link Pakistani development interests with U.S. exporters and American companies offering project solutions. USTDA measures the success of its activities both in terms of exports of U.S. goods and services and positive development effects in Pakistan.

USTDA works with Pakistani grantees in the public and private sectors to conduct feasibility studies and technical assistance activities. USTDA competitively selects U.S. contractors to perform expert assessments and reverse trade missions.<sup>7</sup>

USTDA reported the following project developments and successes over the reporting period:

- In August 2012, USTDA approved funding to bring Pakistani public and private sector bank representatives to the United States to study U.S. information technology solutions for the banking sector. Tentatively scheduled to take place in early 2013, the reverse trade mission is designed to support modernization of the banking sector and increase Pakistani access to banking services, factors with potential to contribute significantly to the country's economic growth.
- USTDA's energy sector feasibility study and technical assistance activities help address Pakistan's energy shortages and frequent power outages. By modernizing Pakistan's grid and adopting renewable energy solutions, USTDA's Pakistani partners will be able to decrease their energy use and reliance on fossil fuels, and improve service reliability.

In September 2012, USTDA issued grants to Pakistani public and private sector partners in the energy sector. USTDA entered into a grant agreement with Pioneer Cement Limited, a large Pakistani cement manufacturer, to fund a feasibility study on incorporating a 35- to 50- megawatt

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<sup>7</sup> Reverse trade missions are trade delegation visits to the United States that enable foreign delegates to observe the design, manufacture, demonstration, and operation of U.S. goods and services that could help them achieve development goals.



biomass-fired power plant, a waste heat recovery system,<sup>8</sup> and energy efficiency upgrades into the firm's cement plant in Punjab Province. To improve electricity transmission and distribution, USTDA signed a grant agreement with the Islamabad Electric Supply Company to fund an assessment that will provide the basis for deploying smart grid technologies. To promote renewable energy, USTDA signed a grant agreement with Warid Telecom, a cellular service provider in Pakistan, to fund a feasibility study and pilot project on replacing diesel generators and lead acid batteries with methanol-based fuel cells and sodium batteries to power cell tower sites. This conversion will reduce Warid Telecom's energy consumption and improve the reliability of mobile services for its more than 18 million subscribers.

## Stabilization

The U.S. Government seeks to enhance stability in border areas and regions vulnerable to violent extremism. The U.S. Government supports the Government of Pakistan in the Federally Administered Tribal Areas (FATA) and Khyber Pakhtunkhwa through short-term development activities, long-term investments in infrastructure, and support for incremental improvements in governance. Stabilization activities are guided by the U.S. Government's strategy for stabilization of Pakistan and closely aligned with USAID's 2010 *Post-Crisis Needs Assessment for Khyber Pakhtunkhwa and FATA*. Activities include improving the responsiveness and effectiveness of the Pakistani Government in restoring citizen trust, stimulating employment and livelihood opportunities, ensuring the delivery of basic services, countering radicalization, and fostering reconciliation. INL and the U.S. Embassy's POL and RSO support ongoing assistance programs in this category, as do USAID and USIP.

**INL.** INL has seven programs in Pakistan that support improved security, legal reforms, and counternarcotics. Aside from the limited direct assistance it provides to Pakistani NGOs engaged in reducing the demand for drugs, INL implements all of its projects in partnership with the Government of Pakistan. Partners include the Ministry of Narcotics Control, the Ministry of Interior, the FATA Secretariat, the Pakistani police, and other civilian law enforcement agencies.

INL reported the following program developments during the quarter:

- *Aviation Program.* The INL-supported Air Wing continued to provide air support to Ministry of Interior agencies, including the Pakistani police, the Khyber Pakhtunkhwa and Balochistan Frontier Corps, the Punjab and Sindh Rangers, and several other agencies. The Air Wing flew more than 90 hours in support of the flood relief operations of the Sindh and Balochistan Provincial Governments. The Air Wing transported more than 110 people affected by the flood and 26,000 pounds of food and supplies during flood relief operations, and flood relief efforts were continuing. The Air Wing also provided support to the Islamabad police during several anti-American demonstrations and

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<sup>8</sup> Waste heat recovery systems are designed to reduce fuel demand by converting heat recovered from industrial emissions and waste systems into energy.

protests in September. Other missions this quarter included counterterrorism and medical evacuations. In total, the Air Wing flew 659.9 hours during the quarter.

- *Corrections Program.* Ten prison superintendents, the Inspector General of Prisons, and several members of the Home Department from Khyber Pakhtunkhwa were cleared to participate in a 3-week training program at the International Corrections Management Training Center in Colorado. The October-November 2012 training program will present information for senior officials on international standards and best practices for effective prison management and operation. In addition to basic security procedures, the training program is designed to focus on topics of greatest utility in Khyber Pakhtunkhwa, such as managing external threats, emergency response, prisoner classification, transportation, and population control. INL has planned a similar training program for National Academy for Prison Administration staff in January 2013. INL's aim is to make this training available to representatives of all provinces in Pakistan, and bureau representatives are in discussions with officials in Sindh and Balochistan about sponsoring training sessions for them later in 2013.
- *Counternarcotics Program.* Pakistan's Anti-Narcotics Force requested INL assistance at levels that would almost double INL's support for drug interdiction activities in Pakistan. Decisions on future INL support for the Anti-Narcotics Force are on hold, however, pending the arrival of a new counternarcotics officer, which has been delayed because of visa approval issues.

In August, INL approved more than \$500,000 in grants to support the activities of three Pakistani NGOs working to reduce demand for drugs. And, in late September, with INL support, the Colombo Plan launched its \$500,000 program for training specialists in the treatment of drug addiction. In addition, INL has sponsored a \$500,000 nationwide survey of drug users administered by the UN Office of Drugs and Crime (UNODC), which expects to have finished surveying all households by the end of the year.

- *Rule of Law Program.* During the reporting period, the U.S. Government delivered two courses to 75 prosecutors and investigators in Pakistan. The program also sent six senior Sindh Province prosecutors to Jakarta, Indonesia for instruction on combatting money laundering.
- *Police Reforms Program.* The program is committed to support Pakistani law enforcement agencies with equipment, infrastructure, and training. For the training portion of the program, INL has partnered with the U.S. Department of Justice's International Criminal Investigative and Training Program to help identify training opportunities and assist in their delivery. During the quarter, the program delivered commodities valued at \$919,000 to police in Balochistan, Khyber Pakhtunkhwa, and Sindh, and made progress on infrastructure projects. Work on a new six-classroom training facility at the Islamabad Police Lines (a police training academy) neared completion, and funds for other infrastructure projects at the academy were released by Pakistan's Ministry of Interior. These additional funds will support the construction of a new 216-person barracks and renovation of the women's barracks at the Islamabad Police Lines, as well as renovation of the women's police station in Islamabad.

- *Crop Control and Area Development Project, Border Security and Infrastructure Program.* During the reporting period, headquarters and barracks facilities were completed in FATA's Orakzai Agency while work concluded on five Frontier Corps border posts in the Chitral District of Khyber Pakhtunkhwa and one in FATA's Khyber Agency. Construction of the Frontier Corps portion of the Spina Thana operations center is about halfway done and on schedule. At the end of the fiscal year, the Javed Iqbal Police headquarters and barracks in Mingora and the Joint Police Training Center in Nowshera were 80 and 35 percent complete, respectively, and both Khyber Pakhtunkhwa-based projects were on schedule. INL held discussions with Khyber Pakhtunkhwa Police on funding the construction of Phase II of the Joint Police Training Center and Police Lines in Daggar (Buner District).

A 17-kilometer stretch of the Jamrud-Landikotal (Mullagori) bypass was completed, as were 8 kilometers of the Mattani bypass in Khyber Pakhtunkhwa. The retendering of the balance of work on Peshawar Ring Road, which took place during the last reporting period, was repeated in August and September because bids from the initial retendering were too high. The Ring Road is approximately 22 percent complete.

INL assistance efforts continue to be hampered by delays in the issuance of visas to Air Wing technical advisers (15 visas pending) and the Foreign Service officer in charge of counternarcotics efforts. This quarter, several law enforcement reform courses were rescheduled and different instructors had to be found at the last minute because of visa delays.

INL also faced difficulties in implementing one of its drug interdiction programs. UNODC was unable to complete INL-supported container control training because of noncompliance with human rights vetting requirements. INL money for the training was refunded.

**POL.** The U.S. Embassy's Political Section oversees implementation of the Export Control and Related Border Security Assistance Program (EXBS) in Pakistan.

EXBS is designed to help participating countries improve their export control systems. In Pakistan, EXBS assists the government to stem the proliferation of weapons of mass destruction and their delivery systems, and prevent irresponsible transfers of conventional weapons. Since 2004, Pakistan has made progress with EXBS assistance in strengthening its strategic trade controls through legal and regulatory reforms and the development of licensing capability.

Although Pakistan has made significant strides in adopting strategic trade control legislation, Pakistan's national control list omits several commodities and technologies controlled under multilateral export control regimes, and this remains a concern. EXBS therefore promotes Pakistan's adoption of a comprehensive national control list that includes all commodities covered under the control lists of the Nuclear Suppliers Group, Missile Technology Control Regime, Wassenaar Arrangement, and Australia Group.

Pakistani border security agencies have poor communications infrastructure, lack needed equipment, and face challenges in coordination across agency lines. Customs officer training is underdeveloped and depends on foreign support. Accordingly, while focusing on trade controls, EXBS will increase the delivery of training and equipment to Pakistani customs agencies, especially the Federal Board of Revenue. In addition, the program will continue to support cross-border cooperation between Afghan and Pakistani agencies engaged in trade control regulation and enforcement. The Department of Homeland Security provides training in support of EXBS activities in these areas.

**RSO.** RSO contributes to improved security and legal institutions in Pakistan through the Antiterrorism Assistance (ATA) Program. The program is designed to equip Pakistani law enforcement to detect, deter, and respond to terrorist threats. The ATA program provides a full range of tactical and investigative courses and support to officials from all the country’s provinces and the Frontier Constabulary. The program’s strategic priorities in Pakistan are to train officials to recognize fraudulent documents, manage and maintain border controls, and expand cooperation between police and prosecutors.

During the reporting period, the program delivered one of eight scheduled courses. The course, which was attended by 22 Pakistani officers, related to the management of efforts to protect national leaders.

RSO reported that obtaining visas for instructors in a timely manner continued to pose difficulties. Eight ATA courses were postponed during the quarter because instructors were unable to obtain visas by the scheduled date of instruction. Visa delays restricted an assessment and evaluation of the program, with several assessment team members unable to take part in the June 2012 assessment trip. In addition, RSO has not distributed equipment grants since March 2011 because of a lack of Pakistani Government assistance in approving and importing the grant equipment. In one instance, equipment already en route to Pakistan was turned back because of a lack of Government of Pakistan assistance in granting landing approvals. Despite the above challenges, ATA program training continues to draw large numbers of Pakistani law enforcement officers and has built significant capacity in counterterrorism skills like explosive ordnance disposal.

**USAID.** USAID had 12 stabilization programs and 2 monitoring activities under way during the quarter (Table 5). These programs provide cash transfers to compensate for housing damage, deliver vocational training, and fund improvements in roads and electricity generation.

**Table 5. USAID Stabilization Programs as of September 30, 2012 (Unaudited)**

Name	Description	Start Date	End Date	Implementing Partner	Funding (\$)
<b>Benazir Income Support Program (BISP)*</b>	Provides cash assistance to needy families	6/09	6/10	BISP, Government of Pakistan	160,000,000

<b>Name</b>	<b>Description</b>	<b>Start Date</b>	<b>End Date</b>	<b>Implementing Partner</b>	<b>Funding (\$)</b>
<b>Child Protection Program</b>	Establishes child protection centers and provides support for psychological counseling	9/10	12/12	UN Children's Fund (UNICEF)	3,538,000
<b>Citizens' Damage Compensation Fund*</b>	Provides cash assistance to flood-affected households	6/11	6/12	National Database and Registration Authority, Government of Pakistan	190,000,000
<b>Conflict Victims Support Project</b>	Provides medical, psycho-social, and livelihoods support to Pakistanis directly affected by violence in FATA and Khyber Pakhtunkhwa	4/12	4/15	***	20,245,806
<b>FATA Child Health Project</b>	Provides health equipment and mobile health units, reconstructs health facilities, and trains health-care providers	9/06	12/12	***	26,150,000
<b>FATA Infrastructure Program</b>	Improves roads; water infrastructure; and electricity generation, distribution, and transmission	12/09	12/14	***	291,986,537
<b>FATA Secretariat Institutional Strengthening Project</b>	Increases the Secretariat's capacity in participatory planning, management, and oversight of stabilization and development activities	8/11	9/16	***	10,698,085

<b>Name</b>	<b>Description</b>	<b>Start Date</b>	<b>End Date</b>	<b>Implementing Partner</b>	<b>Funding (\$)</b>
<b>Khyber Pakhtunkhwa, FATA, and Balochistan Multi-Donor Trust Fund<sup>†</sup></b>	Provides grants for restoration of damaged infrastructure and disrupted services, improvement of government service delivery, and maintenance of community livelihoods	7/10	12/15	World Bank	25,000,000
<b>Khyber Pakhtunkhwa Reconstruction Program</b>	Supports the reconstruction and recovery of conflict-affected districts and increases capacity for management and oversight of stabilization and development activities	3/10	12/14	Provincial Reconstruction, Rehabilitation and Settlement Authority (PaRRSA), Government of Khyber Pakhtunkhwa	105,383,047
<b>Malakand and FATA Housing Support Program*</b>	Provides housing damage assistance through a cash transfer	6/10	9/12	PaRRSA, Government of Khyber Pakhtunkhwa	65,000,000
<b>Monitoring and Evaluation – FATA and Malakand</b>	Supports monitoring and verification of USAID investments in road and electricity infrastructure	12/09	12/14	***	5,786,536
<b>Monitoring and Evaluation – Malakand</b>	Supports monitoring and verification of USAID investments in small-scale infrastructure	4/10	12/14	***	5,760,000
<b>Pakistan Transition Initiative</b>	Supports conditions for stability and development in conflict-prone and other priority areas of Pakistan	11/07	12/15	USAID Office of Transition Initiatives	207,076,547

Name	Description	Start Date	End Date	Implementing Partner	Funding (\$)
<b>Radio Transmitters in FATA and Khyber Pakhtunkhwa Project</b>	Provides radio transmitters	6/10	12/12	***	8,656,471

Source: USAID/Pakistan.

Note: A triple asterisk (\*\*\*) indicates that the name of a USAID implementing partner has been withheld for security reasons.

\* USAID has fully disbursed assistance dollars to BISP, the Citizens' Damage Compensation Fund, and the Malakand and FATA Housing Support Program but continues to monitor rupee disbursements to beneficiaries.

† USAID has also fully disbursed assistance dollars to the Khyber Pakhtunkhwa, FATA, and Balochistan Multi-Donor Trust Fund but continues to monitor project implementation activities.

As of September 30, 2012, USAID reported that 523 kilometers of road had been constructed or repaired with U.S. Government assistance. USAID also reported the following program developments in its stabilization portfolio over the quarter:

- The Child Protection Program continued to deliver services in communities that have been impacted by conflict and violence. During the quarter, 11,567 children and 658 women were registered and provided with information about services. To date, the project has registered 119,872 children (49,470 girls and 70,402 boys) and 4,492 women. These registrations have expanded the Social Welfare Department's caseload by 2,197 individuals, which will in turn improve tracking and follow-up to ensure child protection monitoring. The project has also helped increase official registration through the National Database and Registration Authority (NADRA). NADRA registration grew by 6,328 during the quarter to 100,318 children (50,505 girls and 49,183 boys).
- The Conflict Victims Support Project is designed to provide assistance to approximately 4,500 families affected by conflict-related violence in FATA and Khyber Pakhtunkhwa. During the quarter, the contractor's core team arrived and established a project implementation office in Peshawar. The program initiated baseline surveys and is finalizing agreements with the relevant departments of the Government of Khyber Pakhtunkhwa and the FATA Secretariat. In the meantime, it has gathered data on conflict victims from various government sources and will start delivering compensation to victims after verifying the data.
- The FATA Child Health Project, which was launched in cooperation with the FATA Health Directorate in December 2006, will end in December 2012. The project has worked to increase

the use of key health services and the adoption of behaviors that support the health and development of children. During the quarter, the project reached:

- 82,802 mothers and children through 805 Health Immunization and Nutrition Days.
  - 19,480 people through 225 mobile health unit visits.
  - 21,843 women through 1,873 awareness sessions conducted by female health workers reached across FATA.
  - 3,000 students through 32 sessions at schools on health issues.
  - 25,149 men in all seven agencies of FATA through 2,133 sessions to sensitize men on health issues.
  - 21 health-care providers through training on integrated management of neonatal and childhood illness.
  - 137 female health workers through nine training sessions across FATA on integrated community management of neonatal and childhood illness.
- The FATA Infrastructure Program completed 35 kilometers of road this quarter, including 15 kilometers of the 72-kilometer Wana-Makeen Road and 20 kilometers of the 65-kilometer Bannu-Miran Shah Road. The Jandola Bridge is now in place and the bridges along the Jandola-Sararogha Road are close to completion. Rehabilitation work on the Barang Road began in mid-June, and rehabilitation of the retaining walls is now 90 percent complete with 18 percent of the overall project finished.
  - The FATA Secretariat Institutional Strengthening Project reported several accomplishments:
    - Staff worked with Secretariat personnel to develop a final draft of local government regulations, which was presented to the Governor and FATA parliamentarians. The draft regulations were also posted on the FATA Secretariat's Web site for public feedback. This was the first time that the citizens of FATA had an opportunity to provide feedback on draft legislation affecting them. The draft regulations will soon be presented to the Pakistani President for final approval.
    - Project staff installed a file tracking system in the Governor's Office that was so well received that other sections of the FATA Secretariat have requested similar assistance. Project staff also developed software to help the Secretary of Planning and Director General of Projects manage project data and expedite the Planning Commission's approval process. Additional testing and training for FATA Secretariat staff in using the project data system began during the reporting period.



- Staff completed the monitoring and verification framework for the Directorate of Monitoring.
- Staff continued support for the FATA Information Directorate’s implementation of communications strategies that include the regular issuance of press releases on FATA development projects.
- The Malakand and FATA Housing Support Program compensates beneficiaries whose houses were damaged during the militancy and ensuing military operations that concluded in 2009. During the quarter, the program disbursed an additional \$1 million to 394 beneficiaries in the Bajaur Agency of FATA, bringing total disbursements in FATA to approximately \$22 million for 7,200 beneficiaries. Overall, the program has now provided compensation to about 70 percent of eligible beneficiaries.
- The Khyber Pakhtunkhwa Reconstruction Program continued to support reconstruction and recovery efforts in the districts affected by conflict and flooding. During the quarter, USAID and PaRRSA signed implementation letters for the rehabilitation of 13 water and sanitation systems and 13 partially damaged basic health units. Meanwhile, rehabilitation and reconstruction of the Amandara and Munda Headworks and the Khwazakhela Bridge progressed. In all, the program has now completed construction on 27 schools.
- The Pakistan Transition Initiative supported the FATA Secretariat and the Government of Khyber Pakhtunkhwa in organizing eight anticorruption conferences in June and July for nearly 300 participants, including suppliers, vendors, and contractors. The conferences, which were the first of their kind in the area, highlighted positive project management practices such as fair and open bidding and how to identify, report, and manage instances of corruption. USAID recently completed an evaluation of the program and found that it has increased public confidence in the Government of Pakistan, expanded the government’s presence, contributed to stability, enhanced citizens’ sense of security, and provided invaluable assistance through relief and development projects.

USAID reported the following challenges affecting the implementation of its stabilization programs:

- In April 2012, a second-tier subcontractor for the Radio Transmitters in FATA and Khyber Pakhtunkhwa Project filed a lawsuit against the prime contractor, USAID, a Pakistani Government agency, and others. As a result of a related court order, construction activity has been stayed in Peshawar, and the room housing equipment and transmitters at the site has been sealed. In addition, appropriate visas for the contractor to mobilize engineering teams have yet to be approved and a number of import certifications needed for the project to progress remain outstanding. Nevertheless, USAID has been seeking ways to move the project forward. The contractor, USAID, and the Pakistan Broadcasting Corporation are working to resolve administrative issues and, although the project continues to face delays in Peshawar, project activities in Dera Ismail Khan in Khyber Pakhtunkhwa are set to begin shortly.

- The Malakand and FATA Housing Support Program is experiencing disbursement delays in the Mohmand Agency of FATA. According to the FATA Disaster Management Authority, an initial survey of the number of damaged houses in the Agency that was used to plan compensation efforts significantly understated the number of damaged homes. The program is requesting an increase in its allocation for the Agency based on revised figures on the number of damaged homes. USAID is working with PaRRSA to use leftover funds to compensate additional beneficiaries in Mohmand Agency and to expedite disbursements in FATA. However, disbursements under the program are now expected to be completed later than originally planned.

**USIP.** USIP supports stabilization in Pakistan by promoting religious tolerance and peaceful interfaith dialogue while countering extremist messages. USIP is working to accomplish associated objectives through a 2½-year program with three components: (1) a grant competition to build the capacity of civil society to counter extremism and promote peace and religious tolerance, (2) content analysis and mapping of local media outlets and the extent to which they broadcast or publish extremist or counterextremist messages, and (3) policy research on and analysis of religious intolerance and extremism.

USIP kicked off a new project in August under its grant competition. The project is designed to promote tolerance, pluralism, and nonviolence by cultivating critical thinking skills in schools through training. Meanwhile, USIP's four continuing priority grant programs carried out activities to respond to extremist propaganda and empower marginalized women through radio programming, combat youth extremism through dialogue, and increase the conflict-management skills of the police through training and community engagement.

USIP also selected two partners for its media analysis project on countering extremist voices during the quarter. Local media consultations and work on an audience survey to validate the analytical framework for the project are now underway.

Finally, USIP commissioned three more research projects during the reporting period. These projects are designed to (1) study the drivers of extremism in southern Punjab, (2) report on conflict dynamics in Gilgit-Baltistan, and (3) examine the forces behind sectarian conflict in Pakistan as a whole.

## Education

Pakistan's education system faces serious challenges. According to the UN Educational, Scientific and Cultural Organization's 2011 *Education for All Global Monitoring Report*, Pakistan ranks 119 out of 127 countries on the Education for All Development Index. Pakistan's school system is beset by chronic underfinancing, poor quality, and corruption, resulting in some of the worst and most unequal results on education indicators in South Asia. Less than three-quarters of school-age children are enrolled in primary school. Children who do attend school encounter poorly equipped classrooms and teachers who are ill prepared for the job. Only 49 percent of children complete Grade 5; of those, less than half can read a simple sentence. In higher education, Pakistan remains far behind most of its neighbors in

terms of quality, access, and capacity. Institutions of higher learning in Pakistan lack productivity-enhancing technologies, and university graduates are not always prepared to lead the country's growth. In 2011, only 7.8 percent of 17- to 23-year-olds in Pakistan had access to higher education. This is a significantly smaller proportion than in Nepal (10 percent) and similar to rates in sub-Saharan Africa.

The United States aims to improve access to high-quality education through its assistance to provincial governments and universities. Assistance includes repairing and rebuilding schools and colleges, providing teaching and learning materials, renovating and building teacher education facilities, improving teacher preparation, strengthening the reading skills of primary-grade students, improving provincial and district management and policies, developing fund-raising programs for university scholarships, supporting faculty exchanges in applied research in key disciplines, and fostering effective oversight of education by civil society. The U.S. Embassy's PAS and USAID support programs for educational improvement.

**PAS.** PAS focuses on maintaining exchange programs and expanding in-country English instruction and alumni programs. PAS exchange programs are largely implemented through U.S.-based, nonprofit institutions, but related outreach and recruitment activities are conducted in association with Pakistani Government entities, the media, educational institutions, and NGOs. The United States Educational Foundation in Pakistan (i.e., the Fulbright Commission), in particular, is heavily engaged in the recruitment and selection of participants for academic and professional programs.

From July 1 to September 30, 2012, PAS engaged in an intense interview and selection process for next year's academic programs. More than 400 applicants were interviewed for the U.S. master's and Ph.D. degree programs and the midcareer, 1-year nondegree program in the United States. Approximately 200 candidates were selected for the master's and Ph.D. programs and 30 for the mid-career program. These students will depart for the United States in August 2013. In addition, 100 Pakistani undergraduate students arrived at various U.S. universities for semester-long nondegree programs, and 108 high school students arrived in the United States for 1-year exchange programs in U.S. high schools. In July, 28 Pakistani 16- to 25-year-olds participated in 6-week leadership institutes hosted at U.S. universities. The institutes focused on public policy, women's empowerment, and conflict resolution.

PAS also continued to support the development of university partnership programs. PAS plans to sponsor eight this fiscal year. This quarter, PAS has awarded five university partnerships, bringing the total to six. The five new partnerships include partnerships between Ball State University and Quaid-e-Azam University in Islamabad; Ball State University and Isra University in Hyderabad; San Jose State University and Allama Iqbal Open University in Islamabad; the University of Oklahoma and the University of Gujrat; and Southern Methodist University and Shaheed Benazir Bhutto Women's University in Peshawar. The two remaining university partnerships were in the final stages of negotiation in September. These partnerships will create faculty development programs, staff and student exchanges, online classes and video conferences, joint research projects, and other activities.

In addition to these partnerships, PAS is supporting a multifaceted 1-year program to enhance the civic engagement of Pakistani universities through partnerships with U.S. universities known for their civic

leadership. The partnerships established through this project are designed to help to strengthen people-to-people ties between the United States and Pakistan by (1) linking five U.S. universities with five Pakistani universities for an exchange involving small delegations of faculty and staff, (2) training a larger number of Pakistani universities in civic engagement through a train-the-trainer curriculum, and (3) using technology to deepen information exchange on best practices, establishing university policies, engaging with civil society organizations, and developing student and community leadership through civic engagement and volunteering.

PAS also put 5-year funding in place during the quarter to establish an office and professional staff for a nationwide, Pakistani-led alumni association.

During the reporting period, PAS awarded a contract to JOBS International Private Limited to evaluate the Global Undergraduate Exchange Program, which provides fellowships for semester-long undergraduate study in the United States to emerging student leaders from underrepresented sectors in Pakistan. The evaluation is to begin in October 2012.

PAS reported that program participants and partners continued to face harassment during this reporting period. According to PAS, domestic security agencies harassed Pakistani citizens who participated in PAS exchanges, organizations that implement PAS programs, and attendees at PAS-sponsored events. PAS is concerned that such continuing harassment will harm its programs in the long run.

**USAID.** At the end of the reporting period, USAID had eight education programs and projects under way and one transfer of funds to another agency (Table 6). These programs focused on improvements in basic and higher education by providing training for teachers, scholarships for students, and support for reconstruction and renovation of schools. The Children’s Television Project, which produced *Sim Sim Hamara* (Pakistan’s version of “Sesame Street”), concluded in September 2012. Although the program was successful in reaching children with educational messages, serious procurement violations identified by OIG signaled that further investment of U.S. Government resources in the project was unwise.

**Table 6. USAID Education Programs as of September 30, 2012 (Unaudited)**

Name	Description	Start Date	End Date	Implementing Partner	Funding (\$)
<b>Earthquake-Damaged Schools Reconstruction Program</b>	Reconstructs earthquake-damaged schools	10/06	4/13	CDM Constructors Inc. (CDM)	147,454,624
<b>Education Quality and Access Project</b>	Trains primary and middle school teachers and renovates conflict-damaged schools	10/07	10/12	American Institutes for Research	95,314,430

<b>Name</b>	<b>Description</b>	<b>Start Date</b>	<b>End Date</b>	<b>Implementing Partner</b>	<b>Funding (\$)</b>
<b>Higher Education Commission Support</b>	Provides merit and needs-based scholarships for students to study at Pakistani higher education institutions; initially provided budget support to the Higher Education Commission	3/10	2012	Higher Education Commission	93,000,000
<b>Merit and Needs-Based Scholarship Program</b>	Provides bachelor's and master's degree scholarships	6/04	3/16	Higher Education Commission	13,223,605
<b>Sindh Basic Education Program</b>	Supports early grade reading program, provides technical assistance, and supports reconstruction of schools	9/11	9/16	Sindh Department of Education	91,700,000
<b>Teacher Education Project</b>	Provides preservice education for teachers	5/11	9/13	Educational Development Center	37,000,000
<b>United States-Pakistan Science and Technology Cooperative Program</b>	Provides opportunities for cooperation between Pakistan and the United States in science and technology	9/05	7/18	National Academy of Sciences	12,502,034
<b>Women's Hostel Project</b>	Supports construction of a 360-bed women's dormitory at Forman Christian College	7/11	8/14	Forman Christian College	7,300,000
<b>Transfer to PAS – Fulbright Scholar Program</b>	Provides scholarships to Pakistani graduate students to study at U.S. universities	9/04	Reviewed annually	PAS and United States Educational Foundation in Pakistan	151,500,000

Source: USAID/Pakistan.

As of September 30, 2012, USAID reported that U.S. Government-supported education programs had strengthened the skills of 4,825 educators. USAID also reported the following education project developments this quarter:

- Pakistan's Planning Commission formally approved the Sindh Basic Education Program in August 2012, permitting the government-to-government support component of the program to proceed. Meanwhile, USAID worked with the Sindh Department of Education to select seven target districts in Sindh and five target towns in Karachi for the implementation of program activities. The Teacher Resource Center, the implementer for the reading component of the program, took steps to reduce USAID-assessed financial management risks and was hiring project staff and setting up three field offices at the end of the reporting period.
- The Teacher Education Project continued to emphasize capacity development and training by working in tandem with the Higher Education Commission, provincial education departments, and partner colleges and universities to expand and deliver programs culminating in a 2-year associate's degree in education and a 4-year bachelor of education honors degree. The project also helped 7 universities develop strategic plans and 47 teacher training colleges develop improvement plans prioritizing interventions to improve existing infrastructure and capacity development. These plans will serve as the basis for future needs-based grants under the program.
- Universities approved the designs for construction of six new schools of education and one school renovation. USAID funds the design of the buildings in line with the specifications developed by participating universities in consultation with the Teacher Education Project. Construction work started at Hazara University in Khyber Pakhtunkhwa in September 2012, while contractors were being selected for three of the other building projects
- The recently completed evaluation of the Merit and Needs-Based Scholarship Program is informing planning for the next round of scholarships for admission into the fall 2013 class. Scholarships will be awarded in more disciplines to improve the employability of graduates and will be expanded to increase gender parity.
- During the reporting period, the National Academy of Sciences called for proposals for the fifth cycle of grants under the United States-Pakistan Science and Technology Cooperative Program. For this grant cycle, the program is seeking research proposals focusing on technology transfer, entrepreneurship, innovation, and commercialization of innovations in education, health, nutrition, water and sanitation, agriculture, democracy and governance, environment, energy, the social sciences, and economic development. Meanwhile, USAID extended its cooperative agreement with the National Academy of Sciences for program implementation through June 2018.
- The Education Quality and Access Project, which will end in October 2012, began closeout activities during the reporting period. The project's final evaluation and financial review were conducted this quarter, and the final reports are expected by the project end date.

USAID also reported some challenges to the implementation and administration of its education projects this quarter. Financial and human resource constraints in provincial governments have set back the pace of reforms under the Teacher Education Project, and the frequent posting and transfer of

senior level counterparts by the Governments of Khyber Pakhtunkhwa and Sindh has hindered implementation of project activities. In response, the project is working to raise awareness of the impact of the government transfer policy on continued implementation of project activities.

USAID also noted difficulties in transferring project vehicles to a Pakistani Government entity. As part of its closeout activities, the Education Quality and Access Project anticipated transferring 20 vehicles to Sindh's project management implementation unit. Because Pakistani government entities face difficulties in obtaining tax-exempt status and financial constraints in paying duties on vehicles, the transfer could not proceed. The 20 vehicles will now be transferred to the Teacher Education Project and lent to the Government Colleges for Elementary Teachers partnering with USAID.

## Health

The quality of basic health services in Pakistan is uneven, with the rural population particularly underserved. Improving the quality of care is complicated by inadequate Government of Pakistan funding for the health sector, a fast-growing population, and ongoing confusion in the wake of the devolution of health-care responsibilities to the provinces. Pakistan's high fertility rate is expected to more than double the population by 2050, further straining social services, increasing pressure on economic and environmental resources, and adversely affecting the nation's health. Health sector responsibilities were transferred to the provinces following the enactment of the 18th Amendment to Pakistan's Constitution in 2010. However, the transfer was initiated without adequate planning or strategic dialogue. The provinces have limited financial and human resources with which to address additional health-care functions and remaining federal responsibilities are fragmented and uncoordinated. A lack of leadership at both the federal and provincial levels and ongoing disagreements over financial responsibilities have crippled some basic primary and preventive health services.

Pakistan has the fourth highest maternal mortality ratio in Asia, and fewer than four in ten births are attended by skilled health personnel. Pakistan is one of three countries where polio is still endemic, and the Afghanistan-Pakistan border areas are regarded as the greatest challenge to polio eradication globally.

The U.S. Government supports the Government of Pakistan and Pakistan's private and nonprofit sectors in accelerating progress toward child and maternal health goals by expanding high-quality, cost-effective maternal, newborn, and child health services and increasing health service demand and access among the nation's poor. The health program portfolio seeks to improve access to and quality of essential family planning and maternal and child health services through public sector capacity building, civil and private sector service delivery, and the establishment of public-private partnerships.

**USAID.** USAID had eight programs and one transfer of funds to another agency to support health services in Pakistan during the reporting period (Table 7). These programs focus on improving maternal and child health, family planning, polio eradication, and renovating and reconstructing facilities. USAID works to strengthen health systems through policy reform and technical assistance as well as through

human resource development, improvements to public sector procurements of contraceptive commodities and other key health supplies, and enhancements to logistics and supply chain management systems. USAID also continues to dedicate significant resources to support Pakistan's Emergency Polio Eradication Program.

**Table 7. USAID Health Programs as of September 30, 2012 (Unaudited)**

<b>Name</b>	<b>Description</b>	<b>Start Date</b>	<b>End Date</b>	<b>Implementing Partner</b>	<b>Funding (\$)</b>
<b>Demographic and Health Survey</b>	Supports a survey to collect data on national health indicators	1/11	12/15	Macro International Inc.	3,700,000
<b>Health Care Management Project</b>	Assists with the devolution of nearly all public health responsibilities from the federal to provincial ministries	1/11	1/13	John Snow Inc.	3,000,000
<b>Health Services Academy Support Project</b>	Develops institutional capacity in public health training and research	7/08	12/12	Health Services Academy	7,747,527
<b>Health Supplies Project</b>	Procures tuberculosis, HIV, and vaccination-related materials and equipment for national distribution	4/10	4/15	Various	105,420,953
<b>Jacobabad Civil Hospital Project</b>	Hospital renovation	10/10	10/13	CDM	11,049,000
<b>Jinnah Post-Graduate Medical Center Project</b>	Reconstruction of an extension to the obstetrics and gynecology/fistula ward	10/10	10/13	CDM	5,629,069
<b>Maternal and Child Health Program</b>	Provides an integrated program of health services to save lives of women, infants, and children	5/12	5/17	John Snow Inc., Population Services International / Greenstar, Jhpiego, and Marie Stopes International	387,100,000



Name	Description	Start Date	End Date	Implementing Partner	Funding (\$)
<b>Polio Vaccination Program</b>	Provides support for national polio eradication efforts through national campaigns, disease surveillance, and communications	1/03	Reviewed annually	UNICEF and the World Health Organization	22,370,271
<b>Transfer to the Centers for Disease Control and Prevention (CDC) – Field Epidemiology and Laboratory Training Program</b>	Provides training to epidemiologists	8/05	11/14	CDC, U.S. Department of Health and Human Services	6,783,494

Source: USAID/Pakistan.

As of September 30, 2012, USAID reported that eight polio immunization campaigns had been completed. USAID also reported the following health program developments this quarter:

- With technical and operational assistance from USAID implementing partners, the Government of Pakistan conducted a national polio immunization campaign in mid-July 2012 in 163 districts, agencies, and towns. In total, 32 million children were vaccinated during the campaign. An additional subnational immunization campaign targeting 16.9 million children in 89 districts and agencies was carried out in September 2012. Intensified polio immunization efforts supported by USAID may have contributed to a reduction in cases of the disease. Whereas Pakistan had 99 reported cases of polio in September 2011, this year there were only 37 confirmed cases.
- Under the Health Supplies Project, 70 percent of the required cold chain equipment has been provided to the Punjab Health Department. This support will help ensure the quality of routine immunization services provided to children to combat eight deadly diseases including diphtheria, tuberculosis, hepatitis, pneumonia, and influenza. The project is also supplying the National AIDS Control Program with diagnostic equipment to assist with prevention and treatment activities. In addition, it is supplying the National Tuberculosis Control Program with microscopes and laboratory equipment, x-ray equipment, and medicines for multidrug resistant tuberculosis.
- Work on the 60-bed obstetrics and gynecology ward at the Jinnah Postgraduate Medical Center in Karachi proceeded ahead of schedule. Construction of the new ward, which will provide surgery and treatment for fistula and other complications and serve as a training institute for up to 150 under-graduate and post-graduate medical students, was substantially completed by the end of

September 2012. The completed ward will be handed over to the Medical Center during the first quarter of FY 2013 after equipment and security bars are installed.

- Following significant political delays and extended negotiations with the Government of Sindh, the Chief Minister of Health authorized direct funding of the planned Jacobabad Hospital by the Finance Department and agreed to give it the status of an Institute of Medical Science with an independent governing body. Once these approvals are ratified by the Sindh Provincial Assembly, USAID can proceed with construction of the planned facility. As this approval process is expected to take months, construction of the hospital is unlikely to proceed before the second quarter of FY 2013.
- USAID's Maternal Child Health Program is designed to consolidate health sector efforts and provide comprehensive technical assistance nationally while placing special emphasis on Sindh Province. The family planning component of the new Maternal and Child Health Program began in August 2012 with a mapping exercise to plan outreach in rural and underserved areas. The health communications component of the program, which began in late September, will spearhead a campaign to announce the formal launch of the program. Meanwhile, a rapid assessment of the health system in Sindh was completed to inform the solicitation process for the health systems strengthening component of the program.

USAID also reported health program implementation challenges associated with security and weather conditions. National and subnational polio vaccination campaigns were delayed in Sindh, Balochistan, and parts of Punjab because of heavy rains and localized flooding. Polio vaccination campaigns could not be completed in FATA's North and South Waziristan and Gadap District in Sindh Province because of security concerns, and the potential for reaching the approximately 200,000 children in these areas is still unclear.

## Crosscutting Priorities: Good Governance, Gender Equity, and Greater Transparency

The crosscutting priorities of U.S. Government assistance—improved governance, gender equity, and greater transparency—are integrated, as appropriate, into programs in the sectors discussed in the previous sections of this report. The U.S. Government also supports programs focused exclusively on these areas. DRL, the Embassy's PAS, and USAID support programs in this category of assistance.

**DRL.** DRL supports ten projects that strengthen human rights, support democratic institutions, promote fair labor standards, and encourage interfaith dialogue (Table 8).

**Table 8. DRL Human Rights and Democracy Programs as of September 30, 2012  
(Unaudited)**

<b>Name</b>	<b>Description</b>	<b>Start Date</b>	<b>End Date</b>	<b>Implementing Partner</b>	<b>Funding (\$)</b>
<b>Balochistan Initiative</b>	Supports human rights initiatives in Balochistan through small grants	10/11	9/13	Consulate Karachi	500,000
<b>Documenting Human Rights Abuses</b>	Monitors, documents, and analyzes reports of human rights abuses by security forces	9/12	3/15	International Commission of Jurists	1,300,000
<b>Empowering Home-Based Women Workers</b>	Advocates for the rights of home-based workers, strengthens cooperatives, and builds their capacities	9/11	3/13	International Catholic Migration Commission	484,186
<b>Ensuring the Protection of Human Rights Defenders and Journalists</b>	Increases the capacity, sustainability, and geographic reach of local organizations that protect human rights and journalists	9/11	3/13	Freedom House	792,080
<b>Ethnic and Religious Minorities School Curriculum</b>	Supports development of enhanced madrasa teaching materials and a university madrasa teacher training certificate course	9/11	3/13	International Center for Religion and Diplomacy	410,000*
<b>Promoting Media Transparency on National Security Issues</b>	Increases skills of journalists and civil society groups; works with media outlets to ensure that reporting reaches broader audiences	9/11	9/13	Internews	1,229,700

<b>Name</b>	<b>Description</b>	<b>Start Date</b>	<b>End Date</b>	<b>Implementing Partner</b>	<b>Funding (\$)</b>
<b>Promoting Peaceful Co-Existence</b>	Promotes peaceful coexistence, mutual understanding, and respect among religious minorities and the Muslim majority in Pakistan	1/11	12/14	Church World Service	648,543
<b>Protecting Human Rights While Countering Terrorism:</b>	Enhances the role of the legal profession and the justice sector in protecting and strengthening human rights and the rule of law in national security	7/12	6/14	American Bar Association Rule of Law Initiative	990,099
<b>Strengthening Women Parliamentarians for Effective Government</b>	Increases the capacity of elected women parliamentarians by bolstering engagement in decision making at the provincial levels	9/11	9/13	Search for Common Ground	909,000
<b>Strengthening Worker and Trade Union Rights</b>	Builds trade union and worker organizations' organizational and managerial capacity in collective bargaining, dues collection, recruitment, and other areas	4/09	9/13	Solidarity Center	1,095,049

Source: DRL.

\* This program operates in both Pakistan and Saudi Arabia. The funding figure provided is for the Pakistan component of the program.

DRL provided the following information regarding program developments over the quarter:

- As part of DRL's Promoting Media Transparency on National Security Issues effort, Internews issued production grants to help journalists from conflict zones develop stories they were eager to do but for which they previously had insufficient resources or support. A total of 23 grant applications were approved; several journalists started work on their stories with the support of mentors who received program training on mentoring and coaching during the quarter. The program also prepared its second media monitoring report during the quarter. The report, which will be released

in October, will provide in-depth information on Pakistani media coverage of Afghanistan along with ideas for improving Pakistani coverage of the Afghan conflict.

- DRL's implementing partner for the Strengthening Worker and Trade Union Rights screened and selected nine local unions to participate in upcoming DRL-funded training along with 46 others previously selected. Program staff also completed a baseline survey of selected unions and a discussion paper with recommendations for strengthening Pakistani trade union structures at the local, regional, and national levels.
- The Ethnic and Religious Minorities School Curriculum project kicked off its second 6-week certificate course for Pakistani madrasa teachers and administrators at the International Islamic University in Islamabad in late September 2012. The course emphasizes the importance of critical and independent thinking, promotes tolerance as an essential Islamic and educational virtue, and develops teachers' intersectorian, interfaith, and intercultural competencies. Initial evaluations from the first course offering in the spring indicated that the course was very popular among participants and was likely to positively influence their teaching. For many of the participants, it was their first opportunity to learn about modern theories of education and to interact substantively with teachers of other religious sects.

DRL cited several challenges in implementing its programs: (1) ensuring that programs stay relevant as the country prepares for the next national elections; (2) addressing organizational and participant safety when implementing project activities in conflict areas; (3) adjusting to delays in project activities because of difficulties within counterpart organizations and street protests; and (4) responding to delays in partner NGO re-registration with Pakistani Government ministries.

**PAS.** As part of the U.S. Embassy's strategic communication efforts, PAS's English Language Access Program provides English instruction to 5,000 Pakistani students between the ages of 14 and 18. PAS is examining ways to strengthen the impact and expand the reach of its English-language programs and in August brought in an additional officer with a Pakistan-specific focus for this purpose.

**USAID.** USAID has seven programs and projects designed to improve governance, gender equity, and transparency (Table 9). In addition, USAID transfers funds to PAS to support exchanges, and funds a contract to enhance the Agency's project monitoring and evaluation. USAID's projects in this category of assistance include a hotline for the public to register complaints, support to organizations that oppose domestic violence and gender discrimination, and broad civil society support. In addition to its ongoing programs, USAID is planning a program to monitor the upcoming national elections.

**Table 9. USAID Good Governance, Gender Equity, and Transparency Programs as of September 30, 2012 (Unaudited)**

<b>Name</b>	<b>Description</b>	<b>Start Date</b>	<b>End Date</b>	<b>Implementing Partner</b>	<b>Funding (\$)</b>
<b>Anti-Fraud Hotline Project / Anti-Corruption Project</b>	Allows citizens to report waste, fraud, and abuse of U.S. Government funds through a free hotline	1/09	9/15	Transparency International–Pakistan	2,650,000
<b>Assessment and Strengthening Program</b>	Conducts preaward assessments and develops the capacity of Pakistani organizations to manage assistance funds	10/10	10/15	Rural Support Programs Network, Lahore University of Management Sciences, and Associates in Development	19,400,000
<b>Citizens' Voice Project</b>	Makes small grants to civil society organizations for advocacy projects that support citizen participation in energy, economic growth, education, health, and stabilization	5/11	9/15	Trust for Democratic Education and Accountability	11,600,000
<b>Gender Equity Program</b>	Makes small grants to organizations opposing domestic violence and gender discrimination	8/10	8/15	Aurat Foundation	19,868,429
<b>Independent Monitoring and Evaluation Contract</b>	Provides mission-wide support for monitoring, evaluation, and the PakInfo system	6/11	6/16	Management Systems International	7,000,000
<b>Municipal Services Program, Sindh and Khyber Pakhtunkhwa</b>	Improves delivery of basic municipal services, including water in Jacobabad and Peshawar	7/10	7/15	Provincial governments' planning and development departments	119,924,194

Name	Description	Start Date	End Date	Implementing Partner	Funding (\$)
<b>Political Parties Development Project</b>	Improves the transparency and accountability of Pakistani political parties to their constituents	7/11	7/13	National Democratic Institute	6,298,790
<b>Small Grants and Ambassador's Fund Program</b>	Makes small awards for community initiatives that support U.S. foreign assistance objectives	8/10	8/15	National Rural Support Programme (NRSP)	21,500,000
<b>Transfer to PAS – Exchanges / Strategic Communications</b>	Conducts exchange programs and in-country English language instruction that support strategic communications objectives	7/05	2015	DOS Bureau of Educational and Cultural Affairs	23,740,000

Source: USAID/Pakistan.

As of September 30, 2012, USAID reported that 233 local NGOs had received support through U.S. Government assistance since the inception of its small grants programs in 2010. USAID also provided the following information on recent developments associated with its governance and gender-equity assistance programs:

- The Citizens' Voice Project has advertised four grant cycles for awarding civil society advocacy grants. It awarded 33 grants in its first two cycles and 38 third-cycle grants were under consideration at the end of September 2012. Grants awarded under the program have addressed themes related to municipal services, energy reform, water rights, and education sector reforms.
- The Gender Equity Program has been facilitating the work of NADRA to register women in remote rural areas. So far, more than 117,000 women have registered to receive a computerized national identity card through the program. In addition to these efforts, the program has made 100 grants valued at \$4.8 million to provide support for activities such as legal training for women's rights lawyers and community advocacy campaigns on gender-based violence. The program's current grant cycle is focused on providing (1) support to shelters for victims of gender-based violence, (2) counseling and economic support for victims, (3) the operation of related help lines, and (4) public information and advocacy on gender-based violence.
- The Municipal Services Program made progress in Khyber Pakhtunkhwa during the quarter. The Government of Khyber Pakhtunkhwa established a program management unit, several positions of

which are being staffed by provincial government employees on detail from other units and by Assessment and Strengthening Program personnel, who will provide financial management and information technology assistance. Applications for other program management unit positions were received and reviewed during the quarter. Meanwhile, program staff prepared tenders for quick-start activities to improve and expand water, wastewater, drainage, and solid waste infrastructure in four administrative divisions in Peshawar. These tenders have been issued to contractors who prequalified for participation this quarter.

- The Municipal Services Program also made strides in Sindh Province. The Government of Sindh has committed to fund the establishment of a project management unit for the program, and took steps during the quarter to make this funding available. The provincial program's steering committee met for the first time and approved the inclusion of four additional towns in the program. A detailed topographical survey of the project area, which will be used in integrating infrastructure systems (e.g., water, wastewater, and solid waste systems), began during the period.
- To date, 98 awards totaling \$13.7 million have been made under USAID's Small Grants and Ambassador's Fund Program. Communities have praised these investments, noting that they have responded to some of the most urgent community priorities in energy, vocational training, agriculture, basic education, and water and sanitation.

USAID noted two continuing challenges in implementing programs for improved gender equity and governance: (1) women's equal participation in the full range of development programs, and (2) the implementation of the 18th Amendment, which devolved responsibilities to local authorities, was not accompanied by legislation to empower decision-making bodies below the provincial level.

## Humanitarian Assistance

The U.S. Government continues to provide humanitarian assistance in Pakistan as the country grapples with both man-made and natural crises. Ongoing military operations and militant activity that began in August 2008 have resulted in a sizable internal displacement in Khyber Pakhtunkhwa and FATA. With the help of UN agencies and the international community, Pakistan continues to recover from flooding in 2010 and 2011, while also strengthening crisis planning mechanisms and implementing disaster risk-reduction methods to decrease the devastation of future floods. The country also hosts some 1.7 million registered Afghan refugees, as well as approximately 1 million unregistered Afghans who reside in Pakistan as economic migrants. The first wave of refugees arrived in 1979, leading to one of the largest and most protracted refugee situations in the world.

DOS's Bureau of Population, Refugees, and Migration and USAID manage and coordinate humanitarian assistance programs and activities in Pakistan on behalf of the U.S. Government.



**PRM.** PRM’s main goals in Pakistan are to meet humanitarian assistance needs, maintain safe spaces for refugees, support durable solutions for Afghan refugees and migrants, and advance the sustainability of PRM services through successful transitions.

The UN High Commissioner for Refugees (UNHCR) is PRM’s primary partner in Pakistan in assisting Afghan refugees. UNHCR provides protection and essential services to refugees and oversees their repatriation to Afghanistan. Since 2002, 3.7 million Afghan refugees have returned to Afghanistan through UNHCR’s voluntary repatriation centers in Pakistan. With PRM support, UNHCR and the International Committee of the Red Cross also provide protection and assistance to people in Pakistan affected by conflict and natural disaster.

In addition, PRM partners with 12 NGOs in Pakistan to provide Afghan refugees and host-community members with primary education, maternal and child health care, livelihood and skills development, as well as to prevent and respond to gender-based violence (Table 10).

**Table 10. PRM Humanitarian Assistance Programs as of September 30, 2012 (Unaudited)**

<b>Name</b>	<b>Description</b>	<b>Start Date</b>	<b>End Date</b>	<b>Funding (\$)</b>
<b>Community-Based Comprehensive Health Services and Livelihoods Opportunities for Afghan Refugees and Host Communities in Balochistan Refugee Camps</b>	Provides services to refugees and host community members in and around three refugee settlements in the Pishin and Quetta Districts of Balochistan	09/12	08/13	919,852
<b>Education, Skills, and Protection for Afghan Refugees and Host Communities Program</b>	Provides primary education, skills development activities, and response services for victims of gender-based violence to Afghans and host-community members in semiurban Quetta, Balochistan	09/12	09/13	367,602
<b>Improving the Income of Vulnerable Women Through Income Generating Activities</b>	Improves the livelihoods of 100 extremely vulnerable women by providing an improved breed of layer hens	08/12	02/13	25,000
<b>Improving Livelihood Opportunities for Afghans and Local Communities by Imparting Skills in Demand Driven Trades</b>	Improves livelihood opportunities for Afghan refugees and local youth through skills training and job placement	09/12	09/13	235,411

<b>Name</b>	<b>Description</b>	<b>Start Date</b>	<b>End Date</b>	<b>Funding (\$)</b>
<b>Integrated Afghan Refugee Assistance Program</b>	Supports seven government health facilities in Balochistan's Quetta District in providing quality maternal and child health care and health education to Afghan refugees and members of the host community	09/12	08/13	900,000
<b>Mansehra Health, Vocational Training, and Market Development Program</b>	Provides basic health services and improves skills of 300 Afghan refugee men and women in the Barari, Ichrian, and Khaki refugee villages in the Mansehra District of Khyber Pakhtunkhwa	07/12	06/13	592,725
<b>Primary Healthcare, Repatriation, and Gender-Based Violence Support for Afghan Refugees in Khyber Pakhtunkhwa</b>	Provides Afghan refugees and host-community members primary and reproductive health care and health and hygiene information, and prevents and responds to gender-based violence in seven refugee villages and one urban area of the Peshawar, Swabi, and Buner Districts of Khyber Pakhtunkhwa	05/12	04/13	900,000
<b>Skills Training and Income Generation for Urban Afghan Refugees in Rawalpindi-Islamabad and Peshawar</b>	Provides skills training and job placement services to Afghan refugees in Rawalpindi-Islamabad and Peshawar	07/12	06/13	599,957
<b>Strengthening Community-Based Healthcare Services for Afghan Refugees and Building a Bridge to Better Quality Facility Services Through Capacity Building</b>	Builds the capacity of and increases access to community-based health care for Afghan refugees by training health workers to reduce maternal mortality rates in the Swabi, Mardan, Nowshera, and Charsadda Districts of Khyber Pakhtunkhwa	09/12	09/13	443,567
<b>Strengthening Existing Learning Structures of Marginalized Afghan and Minority Children in Quetta</b>	Provides primary school education to refugee children in urban Quetta and helps assess their nutritional and basic health-care needs	02/12	01/13	192,795

<b>Name</b>	<b>Description</b>	<b>Start Date</b>	<b>End Date</b>	<b>Funding (\$)</b>
<b>Strengthening Livelihood Systems of Afghan and Pakistani Communities</b>	Provides skill training and improved breeds of poultry and livestock to Afghan refugees and their host communities in the Lower Dir District of Khyber Pakhtunkhwa	09/12	09/13	312,548
<b>Transition Support Programming for Afghan Refugees in Pakistan</b>	Provides access to health care and basic education for Afghan refugees in Balochistan and Haripur in Khyber Pakhtunkhwa	07/12	11/12	250,000

Source: PRM, U.S. Embassy Islamabad.

Note: This table omits the names of PRM's implementing partners for security reasons.

PRM provided the following information on recent program developments and achievements related to its humanitarian assistance programs:

- The Quetta-based Education, Skills, and Protection for Afghan Refugees and Host Communities Program continues to make progress in addressing gender-based violence through training for religious and community leaders, medical practitioners, and law enforcement agencies. In addition, the program has provided 6 months of training in tailoring and embroidery to 300 women, raising their incomes by as much as 20 percent. PRM's implementing partner has also enrolled 500 out-of-school Afghan children in five community education and skill centers where they are learning basic literacy and numeracy skills.
- PRM's Integrated Afghan Refugee Assistance Program, which is also based in Quetta, has health and livelihood components. The health component of the program has provided maternal and child health-care services to 170,000 Afghan refugees and members of their host communities. The program implementer has successfully handed over four renovated and upgraded health facilities to the government, which is making them a permanent part of its health system. These facilities provide around-the-clock basic emergency obstetric care services that are supplemented by the work of the program's home-based health clinics operated by community midwives. Meanwhile, the livelihood component of the program has increased the incomes of 200 men and women through 6 months of vocational training. The program has also helped increase the incomes of more than 500 vulnerable refugee women through assistance with the management and rearing of improved poultry breeds.
- Much like the program discussed above, PRM's Mansehra Health, Vocational Training, and Market Development Program has two components: one related to health, and the other associated with skills development for income generation. Under the health component of the program, PRM's

NGO partner has provided reproductive health services to more than 60,000 Afghan refugees, 80 percent of whom were women and children. The NGO has also trained a network of 377 volunteer community health workers from the refugee community and is working on transferring services provided through its three basic health units to government-supported health clinics in the vicinity. As a result of the program's efforts, refugees' health standards now exceed those of members of their host communities. Under the program's skill development component, PRM's NGO partner has trained more than 600 men and women, 70 percent of whom were Afghan refugees. As a result of the training, more than 360 beneficiaries have secured employment in their respective trades thereby increasing their income by an average of 40 percent.

- The Primary Healthcare, Repatriation, and Gender-Based Violence Support Program continues to support survivors of gender-based violence through counseling and medical assistance. In addition, the program has provided primary and reproductive health care to more than 153,000 Afghan refugees in Khyber Pakhtunkhwa through its work at five health units. The program's NGO has succeeded in keeping mortality rates below the UNHCR standard of 1.5 deaths per 1,000 individuals a month during the project period. According to the NGO, there have been no polio cases where it is working despite the recent polio outbreak in Pakistan. The NGO has successfully transferred the provision of health services at two facilities in Swabi and Peshawar to other health facilities in the area.
- The Skills Training and Income Generation for Urban Afghan Refugees Program used a household survey and market-based assessment to target refugee training activities in Rawalpindi. When the program followed up with the 534 refugees who completed vocational training activities in FY 2011, it found that 285 of them had found jobs and 148 had started their own businesses. Because of this success, PRM's NGO partner is expanding the number of trainees and opening a new training facility in Peshawar, which is host to the highest concentration of refugees in Pakistan.

**USAID.** USAID's Offices of Food for Peace (FFP) and U.S. Foreign Disaster Assistance (OFDA) provide humanitarian assistance in response to complex emergencies and natural disasters in Pakistan. Both offices manage their programs from Washington, D.C., but have assigned technical experts to Pakistan to coordinate activities with the USAID mission's technical and provincial offices. These experts provide links with other humanitarian assistance actors in Pakistan and advise the mission on emergency conditions and ways for USAID to respond to them.

FFP has contributed to the food security of internally displaced persons (IDPs) in Khyber Pakhtunkhwa and FATA since 2009 and of those throughout Pakistan who were affected by the 2010 and 2011 floods. FFP provides in-kind and cash assistance.

FFP channels the bulk of its assistance through the UN World Food Programme (WFP). WFP provides food rations to IDPs while they are away from home and for 6 months after their return. It provides supplementary food for malnourished children and for pregnant and lactating mothers. WFP also

provides rehabilitation and reconstruction assistance in the form of food rations for workers on projects to rehabilitate community infrastructure.

WFP began food distributions within 2 days of the 2010 flood and distributed food rations to 7 million beneficiaries at the height of the flood response in October of that year. During the 2011 flood response, WFP supplies reached more than 4 million people in Sindh and Balochistan after the Pakistani Government requested international assistance. During these two flood response efforts, FFP contributions accounted for more than half of WFP's emergency operations.

After the initial phase of the flood response, FFP funded an NGO program to distribute food vouchers to vulnerable families. Under the program, each family received a booklet of food vouchers to be redeemed for selected food items.

As of September 30, 2012, USAID reported the following examples of program developments and achievement in FFP humanitarian assistance programs:

- With FFP support, WFP reached more than 250,000 people in July 2012 alone through food-for-work and cash-for-work activities in the flood-affected districts of Sindh and Balochistan Provinces and in Azad Jammu and Kashmir. Work projects under the program help communities withstand future floods through the rehabilitation of irrigation and drainage canals, construction of raised platforms, rehabilitation of drainage canals, reconstruction of livestock sheds, and establishment of kitchen gardens.
- As part of Pakistan's Zero Hunger campaign launched by the Prime Minister in March 2012, the Government of Pakistan agreed to contribute wheat from its reserves to WFP for displaced persons in FATA and Khyber Pakhtunkhwa. The Government of Pakistan's determination to transfer 50,000 metric tons of grain to WFP will help meet the cereal needs of this target population for the remainder of the calendar year. The first 20,000 metric tons were released, processed, and distributed during the quarter, reducing the need for additional FFP contributions.

USAID's OFDA responds to humanitarian needs in Pakistan that result from natural and man-made disasters. OFDA launched a robust humanitarian response to the 2005 earthquake, which left 2.8 million Pakistanis homeless. In 2009, OFDA ramped up activities to address the needs of people displaced by conflict in Khyber Pakhtunkhwa and FATA. And, in 2010, when historic floods affected two-fifths of the country and more than 18 million people, OFDA responded by providing assistance that spanned all humanitarian sectors. This assistance laid the foundation for OFDA's rapid response to monsoon flooding that occurred in Sindh and Balochistan in 2011.

Heavy monsoon rains that began in late August 2012 triggered flooding in Pakistan that affected nearly 4.8 million people, resulted in 430 deaths, and damaged or destroyed more than 402,000 houses according to Pakistan's National Disaster Management Authority. As of September 30, 2012, the Government of Pakistan had not requested international humanitarian assistance, but had requested that

some humanitarian organizations distribute emergency relief items in coordination with local authorities. OFDA staff in Islamabad assessed the impact of the flooding and considered humanitarian response options in coordination with other partners on the ground.

Meanwhile, OFDA continued its humanitarian response strategy of supporting conflict-affected populations—particularly newly displaced people in Khyber Pakhtunkhwa and FATA—as well as providing sustained assistance to communities affected by the 2010 and 2011 floods to enable them to recover from the devastation. For newly displaced individuals, OFDA has focused on health and water, sanitation, and hygiene assistance, as well as on the provision of shelter and emergency relief supplies; for IDPs returning home, it prioritizes economic recovery and agriculture support. In addition, OFDA is working with disaster-prone communities to reduce their vulnerability to disaster through community-based initiatives to manage disaster risk.

During the quarter, OFDA provided nearly \$9 million in additional funding to meet priority humanitarian needs and aid the economic recovery of people displaced by conflict or flooding. Total OFDA assistance to Pakistan amounted to nearly \$27 million in FY 2012. This assistance builds on the nearly \$432 million in emergency relief funding provided by USAID/OFDA over the previous 10 years.

Twelve OFDA programs were active in Pakistan at the end of the reporting period (Table 11). OFDA’s Tahafuz (Protection) and Bahaal Programs, which provided emergency relief and early recovery projects for flood-affected persons, concluded in late September.

**Table 11. USAID OFDA Humanitarian Assistance Programs as of September 30, 2012 (Unaudited)**

Name	Description	Start Date	End Date	Funding (\$)
<b>Community-Based Disaster Risk Management Program</b>	Seeks to improve the disaster risk management capacity and strategies of poor and vulnerable populations and key stakeholders in Sindh Province’s Badin, Tharparkar, Thatta, and Umerkot Districts through sustainable preparedness and mitigation measures and increased institutional capacity.	07/11	03/13	1,342,678

Name	Description	Start Date	End Date	Funding (\$)
<b>Disease Early Warning and Response System Support</b>	Supports the World Health Organization's Disease Early Warning and Response System, which gathers and analyzes national health data to enable detection and response to epidemic-prone diseases and reduce resulting disease transmission and death.	07/12	12/12	3,700,000
<b>Emergency Cash Grant Support to Off-Camp Vulnerable IDP Families From Khyber Agency</b>	Addresses immediate shelter, food security, and other basic needs of vulnerable IDPs who have been displaced from FATA's Khyber Agency since January 2012 and are residing with host communities in Khyber Pakhtunkhwa.	07/12	04/13	2,400,000
<b>Facilitating Economic Recovery in Southern Pakistan</b>	Provides economic recovery assistance to people whose livelihoods were depleted or lost as a result of floods in southern Pakistan.	07/12	04/13	2,400,000
<b>Providing Shelter Rehabilitation and Cluster Support</b>	Rehabilitates damaged shelters and provides training on building weather-resistant structures for people affected by flooding in Sindh Province and supports the Shelter and Non-Food Item Cluster lead to facilitate the development of common strategies and promote information sharing.	05/12	05/14	5,000,000
<b>Responding to Pakistan's Internally Displaced (RAPID)</b>	Provides speedy, targeted grants to partners with the capacity, local knowledge, and access required to meet the needs of IDPs, their host communities, and returnees.	08/09	09/13	5,682,000

<b>Name</b>	<b>Description</b>	<b>Start Date</b>	<b>End Date</b>	<b>Funding (\$)</b>
<b>Shelter Support for Flood-Affected Populations of Sindh Province</b>	Supports the construction of cost-effective shelters using traditional housing techniques while incorporating disaster risk reduction measures.	05/12	05/14	3,200,000
<b>Supporting Conflict-Displaced People in FATA and Khyber Pakhtunkhwa</b>	Provides conflict-displaced individuals and members of host communities in FATA with access to safe drinking water as well as improved sanitation and environmental health and hygiene practices to reduce the risk of waterborne disease.	07/12	03/13	600,000
<b>Supporting the Recovery of Flood-Affected People in Southern Sindh Province</b>	Provides coordinated, locally appropriate, cost-effective, and durable shelter assistance and sustainable food security support to vulnerable households that lost their homes as a result of monsoon flooding in 2011.	03/12	02/13	2,230,734
<b>UN Office for the Coordination of Humanitarian Affairs (OCHA) Support</b>	Provides support to OCHA for humanitarian assistance coordination and information management activities countrywide.	01/12	12/12	300,000
<b>UN Office for Project Services Support</b>	Provides support for emergency shelters, one-room transitional shelters, and shelter repair kits.	01/11	11/12	6,000,000
<b>WFP Support</b>	Provides information management support, logistics coordination, and warehouse construction assistance.	08/10	12/12	2,850,000

Source: USAID/OFDA.

Note: This table omits the names of OFDA's implementing partners for security reasons.

USAID provided the following examples of program developments and achievements in OFDA humanitarian assistance programs during the reporting period:



- OFDA supports training for community disaster-management committees and schoolteachers on disaster-response techniques through its Community-Based Disaster Risk Management Program. As of early August 2012, OFDA's implementer had trained 14,812 people in disaster preparedness, mitigation, and management; assisted in the development of nearly 125 community plans for disaster risk reduction; and organized 11 events for disaster response and recovery advocacy. These activities continued throughout the reporting period as the organization distributed disaster preparedness materials to community members and trained newly established local emergency response teams in search and rescue.
- OFDA continued to provide support to a rapid-response fund known as RAPID to address the needs of IDPs, their host communities, and returnees in Pakistan. Since establishing the RAPID Fund in 2009, OFDA has awarded nearly \$18 million to support more than 100 activities that benefit an estimated 2.6 million conflict- and flood-affected people in Pakistan, half of them women.
- As most aid is focused on formal refugee camp settings, OFDA has focused on providing cash grants to IDPs from Khyber Agency living outside camps. This emergency cash grant support program is designed to help 35,000 conflict-affected people purchase basic goods and services, while protecting current assets, preventing additional debt, and supporting local markets in areas of displacement in Khyber Pakhtunkhwa's Peshawar District.
- In September, OFDA ended the Tahafuz (Protection) Project which provided economic recovery assistance to people whose livelihoods were depleted or lost as a result of floods in southern Pakistan. By the end of August 2012, OFDA's project implementer had helped form approximately 396 community organizations to rehabilitate community infrastructure using local labor. The project mobilized 5,063 households to work on 433 work sites. To facilitate the work, district offices each received 40 sets of tools, or a total of 120 tool sets. The implementer also worked with communities to select more than 742 beneficiaries to receive cash grants to replace lost assets, rehabilitate homes, and invest in income-generating activities, with priority given to vulnerable and female-headed households.
- During the quarter, OFDA supported ongoing efforts to rehabilitate damaged shelters and provide training on building weather-resistant structures as part of its shelter rehabilitation and cluster support project. The project had assisted approximately 7,500 vulnerable families in Sindh by the end of the reporting period, and had provided 6,394 families with emergency relief supplies. Project activities also support the Shelter and Non-Food Item Cluster's work to develop common strategies and promote information sharing to reduce duplication and inequities in flood response assistance.
- OFDA continued to meet the recovery needs of 38,500 people whose homes were destroyed by severe 2011 monsoon flooding in southern Sindh Province. Within the first 4 months of the intervention, shelter activities reached 2,247 individuals and tree-planting training benefited 2,590 people. Those living in shelters also benefit from tree-planting inputs and will also receive kitchen gardening kits and training under the program to reduce food insecurity.

## Assistance to Pakistani Institutions

To ensure greater responsiveness and increase the sustainability of civilian programs, the U.S. Government plans to continue to implement programs through Pakistani institutions, including national and provincial governments and NGOs, when feasible.<sup>9</sup> The purpose of this focus is to:

- Align programs with locally identified priorities.
- Build Pakistanis' sense of ownership of programs.
- Build Pakistani institutional and leadership capacity for better fiscal management.
- Promote decentralization to engage provincial and local partners and beneficiaries more actively.
- Deliver on-budget assistance<sup>10</sup> to promote transparency, harmonization, and better budget planning by the Government of Pakistan.
- Reduce costs.

USAID awarded more than \$1.268 billion to Pakistani institutions during FY 2010 and \$439.5 million to Pakistani institutions during FY 2011. USAID reported awarding approximately \$492.1 million during FY 2012 (Table 12). Awards made by USAID in FY 2012 fall into one of the following three categories: direct funding for government projects, awards to nonprofit Pakistani organizations, and awards to Pakistani for-profit entities.

**Table 12. USAID Assistance to Pakistani Institutions Since October 1, 2011 (Unaudited)**

Implementing Partner, Project	Number of Awards	Value (\$) of Subobligations
<b>Direct Funding for Government Projects</b>	<b>28</b>	<b>410,512,731</b>
FATA Secretariat, Barang Road and Silay Patay Bridge in Bajaur	1	2,000,000
FATA Secretariat, Ghulam Khan-Bannu Road	1	106,310,673

<sup>9</sup> The Enhanced Partnership with Pakistan Act of 2009 encourages appropriate use of Pakistani firms and NGOs to implement the programs authorized under Title I of the act (Section 101(c)(3)).

<sup>10</sup> Delivering U.S. assistance through Pakistan's own budgetary, spending, and accounting systems as much as possible is expected to help the Government of Pakistan meet the fiscal targets required by the International Monetary Fund and raise Pakistanis' awareness of where U.S. funds are going and how they harmonize with resources from the Government of Pakistan and other donors. On-budget assistance should also help reduce disruptions in implementation by enabling federal and provincial governments to improve budget planning and cash-flow management.

<b>Implementing Partner, Project</b>	<b>Number of Awards</b>	<b>Value (\$) of Subobligations</b>
FATA Secretariat, Jandola Bridge reconstruction	1	4,125,425
FATA Secretariat, Jandola-Sararogha Road, Repair of bridges	1	1,158,820
FATA Secretariat, Kaur-Wana Road, Repair of flood damage	1	6,254,588
FATA Secretariat, Kundiwam Dam and Dhana Irrigation Projects, Swat	1	18,000,000
FATA Secretariat, Reactivation and Rehabilitation of Transformers and Tension Lines	1	3,530,000
FATA Secretariat, Sararogha-Janjal Road	1	19,557,582
FATA Secretariat, Sararogha-Makeen Road, Repair of bridges	1	6,939,654
FATA Secretariat, Tank-Makeen Road, Repair of flood damage	1	4,090,215
FATA Secretariat, Tank-Makeen Road, Ahmad Wam Tunnel	1	279,740
FATA Secretariat, Tank-Makeen Road, Kotkai Tunnel/Bypass	1	1,651,558
FATA Secretariat, 132 kilovolt-ampere transmission line from Gomal Zam Dam	1	8,270,000
Government of Khyber Pakhtunkhwa, Municipal Services Program	1	55,000,000
* Government of Sindh, Sindh Municipal Services Program	1	22,000,000
PaRRSA, Capacity building	1	2,600,000
PaRRSA, Construction of integrated government complex	1	2,500,000
PaRRSA, Flood-damaged infrastructure: Amandara Headworks	1	6,564,000
PaRRSA, Flood-damaged infrastructure: Khwazakhela Bridge	1	4,980,000
PaRRSA, Flood-damaged infrastructure: Munda Headworks	1	8,495,000
* PaRRSA, Khyber Pakhtunkhwa School Reconstruction Program	1	25,000,000
PaRRSA, Khyber Pakhtunkhwa Reconstruction Program, Health recovery and supplies	1	2,863,282
PaRRSA, Malakand Reconstruction and Recovery Program, Construction of schools	1	1,342,194
PaRRSA, Malakand Reconstruction and Recovery Program, Health recovery and supplies	1	2,000,000
PaRRSA, Malakand Reconstruction and Recovery Program, Water and sanitation systems	1	3,000,000

<b>Implementing Partner, Project</b>	<b>Number of Awards</b>	<b>Value (\$) of Subobligations</b>
Sindh Department of Education, Sindh Basic Education Program, Construction of schools	1	20,000,000
Sindh Department of Education, Sindh Basic Education Program, Reforms to upgrade and merge schools	1	20,000,000
WAPDA, Gomal Zam Multipurpose Dam Project	1	52,000,000
<b>Awards to Pakistani Nonprofit Organizations</b>	<b>10</b>	<b>51,419,240</b>
Aga Khan Foundation, Satpara Irrigation Project	1	1,928,595
Agribusiness Support Fund, USAID's Agribusiness Project	1	10,300,000
Aurat Foundation, Gender Equity Program	1	4,250,000
Dairy and Rural Development Foundation, Dairy Project	1	4,426,744
Health Services Academy, Health Services Academy Support Project, Developing and strengthening capacity in public health and research	1	2,551,164
NRSP, Small Grants and Ambassador's Fund Program	1	11,500,000
Rural Support Programs Network, Emergency relief and early recovery for Pakistan flood victims	1	1,502,737
* Teachers Resource Center, Sindh Basic Education Program, Reading program	1	10,000,000
Transparency International-Pakistan, Anti-Fraud Hotline	1	1,360,000
Trust for Democratic Education and Accountability, Citizens' Voice Project	1	3,600,000
<b>Awards to Pakistani Private Sector, For-Profit Entities</b>	<b>12</b>	<b>30,183,579</b>
* Abacus Consulting, FATA Secretariat Institutional Strengthening Project, Capacity building	1	6,780,215
* Asian Trading Company, Malakand school supplies	1	4,226,807
Associates in Development (Pvt.) Ltd., FATA Infrastructure Program, Monitoring and evaluation in South Waziristan	1	3,446,537
Associates in Development (Pvt.) Ltd., Assessment and Strengthening Program	1	3,777,000
* Befare, Transition Initiatives, Monitoring and evaluation services	1	500,000

<b>Implementing Partner, Project</b>	<b>Number of Awards</b>	<b>Value (\$) of Subobligations</b>
Habib Rafiq International (Pvt.) Ltd., Construction of Pakistan Institute of Parliamentary Services Building	1	1,226,075
Halcrow Pakistan (Pvt.) Ltd., Sindh Basic Education Program	1	2,989,756
Halcrow Pakistan (Pvt.) Ltd., Municipal Services Program—Khyber Pakhtunkhwa, Peshawar	1	1,100,000
Halcrow Pakistan (Pvt.) Ltd., Women's Hostel Project	1	653,563
Interflow Communications (Pvt.), Public Communications Project	1	4,980,191
National Development Consultants (Pvt.) Ltd., Education Quality and Access Project	1	352,435
National Engineering Services Pakistan (Pvt.), Milestone verification—Gomal Zam Irrigation Project	1	151,000
<b>Total</b>	<b>50</b>	<b>492,115,550</b>

Source: USAID/Pakistan.

\* Awards made to Pakistani institutions from June 15 to September 13, 2012.

Prior to disbursing funds, USAID's Office of Financial Management performs preaward assessments of all prospective partner organizations. The assessments examine organizational and management structure, accounting and financial management systems, internal controls, technical capabilities, and quality assurance capabilities, as well as organizations' policies, procedures, and practices for effective and efficient management of USAID/Pakistan resources. To date, USAID has completed 198 preaward assessments.

USAID has also sponsored 47 institutional capacity-building activities and initiated 77 others, while completing 4 research studies on streamlining project management units. Under the Lahore University of Management Sciences (LUMS) component of the Assessment and Strengthening Program, 28 training sessions have been completed on courses of study developed under the program. The courses are designed for government, civil society, and local private sector participants at all levels. LUMS offers participating organizations studies on financial management, procurement management, human resources and administrative management, and monitoring and evaluation. The mission is also working with the Office of the Auditor General (Pakistan's Supreme Audit Institution) to strengthen its capacity to provide audits required under government-to-government agreements.

# Staffing

The U.S. Mission in Pakistan—including USAID and Embassy components—increased its staff size in Islamabad and Peshawar but maintained its staff size at regional offices in Lahore and Karachi.

As shown in Table 13, USAID reported a total of 238 staff (54 U.S. direct hires and 184 others) as of September 30, 2012. USAID mission management was unable to fill all vacancies during the quarter because of limited availability of office facilities. USAID's temporary office building has been completed and the mission moved into the facility in late August 2012. Now that additional office space is available to the mission, USAID plans to expand recruitment to fulfill its responsibilities without relying on temporary-duty employees or on support from Washington, D.C. With an FY 2012 target of 296 staff, USAID/Pakistan remained understaffed by 58 positions.

**Table 13. USAID Staffing in Pakistan as of September 30, 2012**

Category	Islamabad	Peshawar*	Lahore	Karachi	Total	Change From June 30, 2012
U.S. direct hires	46	4	3	1	54	+5
U.S. personal services contractors	14	4	0	2	20	-
Third-country nationals	11	1	0	0	12	+2
Foreign Service Nationals (Pakistani staff)	112	21	10	6	149	+6
Eligible family members	2	0	0	0	2	-3
Long-term temporary-duty staff†	1	0	0	0	1	-1
<b>Total Staff</b>	<b>186</b>	<b>30</b>	<b>13</b>	<b>9</b>	<b>238</b>	<b>+9</b>
<b>Staff Target 2012</b>					<b>296</b>	
<b>Staff Shortfall</b>					<b>58</b>	

Source: USAID/Pakistan.

\* Includes staff members assigned to Peshawar but currently residing in Islamabad.

† Individuals in Pakistan for a year occupying vacant positions are counted toward total USAID/Pakistan positions.

PAS personnel in Pakistan work in offices in Islamabad, Karachi, Lahore, and Peshawar. In total, PAS had 27 U.S. direct hires and 53 Pakistani staff members as of September 30, 2012. As of that date, INL-Pakistan had 10 U.S. direct hires, 3 U.S. personal services contractors, 6 third-party contractors, and 80 Pakistani staff; USDA had 3 permanent U.S. direct hires and 5 Pakistani staff members. At the end of the reporting period, PRM had one U.S. direct hire, one eligible family member on staff as a personal services contractor, and one locally engaged Pakistani employee. USIP has one employee based in Pakistan.

# Risks and Mitigation Strategies

U.S. Government agencies and oversight entities have identified risks that could jeopardize the U.S. Government's assistance program in Pakistan and identified accompanying mitigation strategies. The following challenges facing the civilian assistance program remained pertinent during this quarter:

- *Political risks.* Pakistan continued to experience political, economic, and security-related turmoil. Such instability limits progress by the Government of Pakistan and the U.S. Government in delivering an effective assistance program.
- *Operating restrictions.* Implementation and monitoring of U.S. Government-supported projects have been hindered by strict Government of Pakistan requirements for travel outside of Islamabad and provincial capitals. Visits to some areas require from several days' to 3 weeks' prior notification and sometimes the approval of the Ministry of Foreign Affairs; these restrictions delay and often lead to the cancellation of site visits. Obtaining visas and visa renewals continues to hamper recruitment and lower staff morale. Further, local authorities continue to harass U.S. Government and Embassy personnel, especially local staff members.
- *Resistance to economic reform.* Entrenched interests resist policy reforms needed to transform the economy. The effective governance, accountability, and financial solvency of power sector institutions are critical to economic reform. Political interference continues to undermine the decision-making ability of power company managers and regulatory officials. According to USAID, if Pakistan does not implement fundamental reforms, assistance from the United States and other donors will have limited long-term benefits.
- *Vulnerability to natural disasters.* Flood damage has delayed implementation of projects in affected areas. Because Pakistan is prone to natural disasters such as flooding, this is a regular risk. To help Pakistan address this risk, USAID supports programs in water storage and management, including the surface water management program for Balochistan and Gomal Zam Dam, which contribute to flood mitigation efforts. OFDA also has ongoing efforts to strengthen Pakistan's ability to respond to disasters and reduce related risks.
- *Leadership turnover.* High staff and leadership turnover within the Government of Pakistan and the U.S. Government affects planning, coordination, and implementation of programs. Senior managers at power companies and senior government officials at the Ministry of Water and Power are usually political appointees who spend less than 2 years in their positions. The devolution of federal programs for health, education, and agriculture to provinces with insufficient guidance on the expected roles and responsibilities of the federal, provincial, and district governments has also complicated project implementation. High U.S. Government staff turnover also limits the efficiency and effectiveness of assistance programs.



- *Adverse environmental impact.* Development projects sometimes have the potential to degrade the natural or physical environment. USAID/Pakistan conducts environmental assessments before disbursing funds for projects. These assessments—for example, of the road from Tank to Wana and Kaur to Makeen in South Waziristan—sometimes identify risks regarding the projects’ impact on the environment or communities. To address these environmental concerns, USAID takes steps to mitigate risks before continuing with project activities.
- *Limited institutional capacity.* In FATA, Khyber Pakhtunkhwa, Sindh, and Balochistan, where there is limited institutional capacity and insufficient staff with experience in financial and procurement management, extra effort is made to mitigate the risk of resources being lost through inefficiency, theft, or general lack of capacity to handle large amounts of funding.
- *Inadequate financial management in Government of Pakistan institutions.* The U.S. Government and the Government of Pakistan have collaborated to introduce special accounts for budget support provided by the United States to address financial challenges and maintain accountability. However, financial management, accountability, and reporting challenges continue. USAID is providing targeted financial management assistance to key Government of Pakistan institutions and collaborates with other donors on related matters through the Working Group on Public Financial Management.
- *Security risks.* Security concerns continue to reduce the ability of U.S. Government personnel to conduct direct monitoring and evaluation in conflict-affected areas, particularly Peshawar, FATA, Khyber Pakhtunkhwa, and Balochistan, and to engage Pakistani officials in project design. In March 2012, a Balochistan Agriculture Project vehicle was attacked and two people associated with the project were killed and a third injured. In early August, eight local WAPDA staff members working on Gomal Zam Dam Project were kidnapped while traveling from the dam site to Dera Ismail Khan in South Waziristan. Negotiations are underway between the Khyber Pakhtunkhwa officials and the suspects to free those taken; however, in September, the killing of one of the eight staff members was confirmed by Pakistani authorities in the area. Project implementation continues in the face of these security threats.

As described above, security conditions present an ongoing challenge for civilians providing assistance in certain vulnerable areas, as well as for the U.S. Government’s ability to monitor and evaluate programs. USAID is meeting the challenge through an independent monitoring and evaluation contract. Services provided under the contract include routine monitoring, training on data entry for project performance, mapping using a geographic information system, and conducting evaluations and assessments. The integrity of the data provided by USAID/Pakistan’s implementing partners, which serves as the basis for annual performance reporting, is also verified under the contract. Additionally, USAID’s Office of Afghanistan and Pakistan Affairs, in conjunction with USAID/Pakistan, has developed a database (PakInfo) that includes indicators that USAID uses to measure the progress of its programs, as well as the indicators that each implementing partner uses to track progress.

This performance reporting takes place within a larger framework designed to ensure that broader U.S. strategic and operational objectives are met. USAID mission achievement is measured against performance indicators and targets identified in the mission results framework and performance management plan. The results framework defines mission objectives and desired intermediate results in each of the focus sectors for assistance to Pakistan, and the performance management plan provides information on how the mission will collect data on and measure progress in these areas.

To reduce fiduciary risks, USAID has hired accounting firms to conduct preaward assessments to ensure that potential recipients of USAID assistance meet U.S. transparency and accountability standards. These assessments identify and document potential recipients' weaknesses and areas for improvement. USAID then actively works with partners to build capacity and mitigate risks. In addition, USAID increasingly uses fixed-amount reimbursable agreements as a mechanism for assistance programs implemented through Pakistani institutions. These agreements require milestones to be achieved and independently verified before payments are processed.

USAID has also established an Assessment and Strengthening Program to build the institutional capacity of local Pakistani organizations. The program helps identify, address, and validate responses to institutional capacity weaknesses in public sector, civil society, and for-profit institutions. It enables USAID/Pakistan to work with a wide range of local implementing partners and host-government institutions in an effective, transparent, efficient, and responsive manner without having to resort to one-off consultancies or rely on support arrangements provided on a project-by-project basis.

The capacity-building process focuses on specific organizational needs identified through preaward assessments and on national development objectives and requirements. Efforts include developing dedicated project management units in the government, improving policies and procedures, reviewing and strengthening organizational structure, ensuring adequate internal controls, improving financial management and procurement processes, increasing employee skills through on-the-job technical assistance, and providing relevant tools and products for carrying out government functions.

In addition to these program strategies, the OIGs for USAID and DOS have taken the following steps to ensure that U.S. Government funds are protected against waste and theft:

- *Maintaining an in-country oversight presence.* As of September 30, 2012, USAID OIG had 14 permanent staff in Islamabad (9 U.S. direct hires and 5 Foreign Service National employees), supplemented by a staff member on temporary duty. To support its Pakistan portfolio, DOS OIG had one U.S. direct hire and one U.S. personal services contractor on staff in Islamabad at the end of the reporting period. An additional DOS OIG U.S. direct-hire employee is scheduled to arrive in Pakistan in November 2012.
- *Expanding the use of independent Pakistani public accounting firms to conduct financial audits of funds provided to Pakistani NGOs.* As of September 30, 2012, USAID OIG had a roster of 28 eligible audit

firms in Pakistan to call on. Since the passage of the Enhanced Partnership with Pakistan Act on October 15, 2009, USAID OIG has nearly doubled the size of this roster.

- *Providing training to Pakistani public accounting firms and to the Office of the Auditor General.* USAID OIG training for Pakistani public accounting firms and the Office of the Auditor General covers the standards and requirements for financial audits of U.S. Government funds. In FY 2012, USAID OIG provided this training to 13 employees of the Office of the Auditor General and 55 participants from 24 public accounting firms.
- *Providing training to NGOs, government organizations, and USAID contracting and agreement officers' representatives and financial analysts.* During FY 2012, USAID OIG provided training on the standards and requirements for financial audits of U.S. Government funds to 73 participants from NGOs, 13 government officials, and 19 USAID staff members.
- *Helping the Office of the Auditor General conduct financial audits.* USAID OIG helps the office conduct financial audits of funds provided by USAID/Pakistan to Pakistani Government entities by providing support during the audit process. USAID OIG also reviews the final reports to ensure that the audits were performed in accordance with its Guidelines for Financial Audits Contracted by Foreign Recipients, dated February 2009.
- *Working with Pakistan's National Accountability Bureau.<sup>11</sup>* USAID OIG established a working relationship with the National Accountability Bureau in early 2010 and continues to coordinate efforts and collaborate on investigations.
- *Collaborating with USAID/Pakistan to establish and maintain the Anti-Fraud Hotline in Pakistan.* As the only one of its kind in Pakistan, the hotline provides a unique and useful tool for Pakistani citizens to provide feedback to USAID, its implementing partners, and the Government of Pakistan. This quarter, the hotline received 395 complaints through various channels—e-mail, Internet, facsimile, mail, and in person. These complaints relate to projects funded by USAID, the Pakistani Government, and international organizations.
- *Providing fraud awareness briefings and expanding investigative coverage.* USAID OIG investigators also conduct fraud awareness briefings to alert participants—employees, contractors, and grantees—to fraudulent practices and schemes and to provide guidance on how to report fraud. During the quarter, OIG special agents in Pakistan conducted three fraud awareness briefings for 26 attendees.

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<sup>11</sup> The National Accountability Bureau is the primary law enforcement agency in Pakistan responsible for investigating white-collar crime and public corruption. It is Pakistan's only law enforcement agency authorized to conduct investigations in FATA.

- *Coordinating audits and investigations with other U.S. agencies.* USAID OIG coordinates audit and investigative work with other OIGs, GAO, and law enforcement agencies including the Federal Bureau of Investigation's International Corruption Unit, the National Procurement Task Force, the Financial Crimes Enforcement Network, and the U.S. Embassy's Legal Attaché Office to eliminate duplication and maximize efficient use of government resources.

# Oversight Status

Because U.S. civilian assistance programs and activities in Pakistan are implemented by several agencies, more than one oversight organization has the authority to conduct related audits, reviews, inspections, and investigations. The OIGs for DOD, DOS, USAID, and USDA, as well as GAO, reported that they had completed Pakistan-related work during the quarter; the OIGs for DOC, the Department of Homeland Security, and the Department of Justice reported that they did not undertake any oversight activities specific to Pakistan during the reporting period and had no planned audit work pertaining to Pakistan.

## Department of Defense Office of Inspector General

### Work Completed

From July 1 to September 30, 2012, DOD OIG completed one performance audit related to assistance to Pakistan:

- **Mi-17 Overhauls Had Significant Cost Overruns and Schedule Delays (Report No. DODIG-2012-135, September 27, 2012).** This audit determined whether the oversight and management of Northrop Grumman contracts for 1,500-hour maintenance overhauls of Mi-17 aircraft were performed in accordance with federal requirements and whether contracting officers ensured that contract prices were fair and reasonable. Eight Mi-17 helicopters belonging to Pakistan were included in the contracts. OIG found that Army contracting officers and program management officials did not adequately support the prime contractor when the subcontractor denied quality assurance personnel access to its overhaul facility. As a result, overhauls took 12 to 20 months longer than planned, failed to identify unsanctioned parts used in the overhauls that had to be replaced, and may cost the U.S. Government \$16.4 million in unnecessary costs. Because of the delays, eight aircraft were unavailable for rescue and recovery operations during the 2010 floods in Pakistan. Those eight aircraft have since been overhauled and returned to Pakistan. DOD OIG recommended that the U.S. Army debarment official consider whether suspension or debarment is warranted for the subcontractor and its affiliates and that Army officials review the actions of the contracting officers and program management officials to determine whether administrative actions should be taken.

### Work Under Way

As of September 30, 2012, DOD OIG had one audit under way related to U.S. assistance to Pakistan:

- **Audit of Mi-17 Overhauls and Cockpit Modifications.** This audit is being conducted to determine whether DOD officials awarded and administered Science and Engineering Services Inc.

contracts for the overhaul and modification of Mi-17 aircraft in accordance with U.S. Government and DOD regulations and policies. Five Pakistani helicopters were included in the contracts; however, a stop-work order was issued for this effort before Pakistan delivered the helicopters for overhaul and the overhaul effort for the Pakistan aircraft on this contract has been canceled. Accordingly, OIG will not report on the progress of this audit in future quarterly reports on oversight of U.S. assistance to Pakistan.

## Department of State Office of Inspector General

### Work Completed

From July 1 to September 30, 2012, DOS OIG completed one evaluation and one inspection related to Pakistan:

- **Evaluation of the Local Guard Force Contract for Embassy Islamabad and Consulates General Karachi, Lahore, and Peshawar (Report No. AUD-MERO-12-46, September 2012).** DOS OIG evaluated DOS's local guard force contract with security contractor G4S for guard force services at Embassy Islamabad and the three U.S. consulates in Pakistan. DOS OIG determined that the U.S. Mission's local guard force contractor did not provide DOS-approved replacement guards during a labor strike in Islamabad in June 2011. The contractor used unapproved guards to cover guard posts during the strike because it did not have a contingency plan to replace the striking guards. OIG also found that the contractor did not enroll all of its guards in the Employees' Old-Age Benefits Institution, a Pakistani retirement program, as required under its contract. In addition, OIG concluded that DOS did not provide the oversight necessary to ensure that the contractor provided adequate training in some required skills. However, OIG did not identify any errors during its review of contractor invoices and concluded that DOS had properly functioning internal controls to help ensure that invoices were accurate and supported with appropriate documentation.

OIG made one recommendation to improve program management reviews of local guard force contracts. OIG made an additional recommendation to ensure guard enrollment in the Pakistani retirement program and the proper crediting of amounts already withheld from guard salaries for the retirement program.

- **Support for Department Employees Serving in Afghanistan, Iraq, and Pakistan (Report No. ISP-I-12-49, September 30, 2012).** OIG considered the treatment of families of employees serving in Afghanistan, Iraq, and Pakistan and examined information provided to employees bidding on these posts. OIG inspectors found that DOS had not provided clear guidance to these missions on support for safe-havened families and noted that these families were not treated uniformly as a result. OIG also observed that, although bidders on assignments in these countries ultimately receive excellent guidance on support for family members, this information is not provided early

enough in the bidding process to enable employees and their family members to properly weigh their options.

## Work Under Way

As of September 30, 2012, DOS OIG had two audits under way:

- **Audit of the Administration and Oversight of the Pakistan National Police Training and Mentoring Program.** This audit will evaluate whether INL is efficiently and effectively managing the Pakistan Law Enforcement Reform Program and determine whether the bureau is achieving intended and sustainable results through each component of the program.
- **Performance Evaluation of Management Controls Over Civilian Assistance to Pakistan.** This evaluation will review DOS's civilian assistance to Pakistan (excluding USAID programs) to determine whether management controls are in place, documented, and operating as intended and to ensure that DOS-administered funds are protected from waste, fraud, and diversion.

## Work Planned

In addition to those under way, DOS OIG plans to conduct one evaluation and two audits of Pakistan-related programs and activities in FY 2013:

- **Evaluation of the Emergency Action Plan for Embassy Islamabad.** The evaluation will focus on Embassy Islamabad's formulation of a comprehensive Emergency Action Plan, the completeness of associated documentation, and the general knowledge and preparedness of all mission personnel.
- **Audit of the Administration and Oversight of the Pakistan Counterinsurgency Capability Fund.** This audit will determine whether the DOS's administration and oversight of the Pakistan Counterinsurgency Capability Fund are effective.
- **Audit of the Bureau of International Narcotics and Law Enforcement Affairs Judicial Reform Programs in Pakistan.** This audit will determine whether INL's administration and oversight of its judicial reform programs in Pakistan are effective and whether the programs are achieving stated program objectives.

## Investigative Work

DOS OIG opened one new case in Pakistan during the reporting period. OIG did not close any cases during the quarter.

## USAID Office of Inspector General

USAID OIG oversees foreign assistance programs administered by USAID, the Millennium Challenge Corporation, the U.S. African Development Foundation, and the Inter-American Foundation. USAID OIG has strengthened its focus on Pakistan since USAID reopened its Pakistan mission in 2002. In recent years, OIG has covered a wide array of USAID programs in Pakistan, for relief and stabilization, reconstruction, sustainable development, education, and health care. USAID OIG's oversight activities include performance audits and reviews, financial audits, and investigations.

Since the start of FY 2010, USAID OIG has issued 40 Pakistan-based financial audits and forensic reports and 20 performance audits and reviews of Pakistan-related assistance efforts. These reports have made 126 recommendations for improvements to USAID programs and activities. Performance audits conducted since FY 2010 have noted the need for improvements in a range of management and performance areas. Half of OIG performance audits have identified contract or project management deficiencies, more than four in ten have found internal control weaknesses, and more than a third have noted noncompliance with relevant procedures or regulations. Financial audits overseen by OIG since FY 2010 have covered \$422.3 million in expenditures. OIG audits during this period have identified approximately \$23.7 million in sustained questioned costs and funds to be put to better use.

### Work Completed

From July 1 to September 30, 2012, USAID OIG completed three performance audits, six financial audits, one agreed-upon forensic procedures report:

- **Audit of USAID/Pakistan's Reconstruction Program in Earthquake-Affected Areas (Report No. G-391-12-007-P, August 16, 2012).** USAID/Pakistan awarded a 5-year, \$120 million contract to the construction firm Camp Dresser and McKee, International Inc. to implement this program, and reconstruction activities have made progress. As of May 2012, the contractor had completed work on 51 of the 77 targeted facilities (36 schools and 15 health-care facilities) and turned them over to the Government of Pakistan. Government officials inspected the completed buildings to verify that they met technical specifications and issued certificates transferring ownership. The contractor turned the facilities over to the Government of Pakistan within the estimated time and budget, and the government was using most for their intended purposes. Construction was under way on 21 buildings (20 schools and a district hospital), and the contractor was bidding on sites for 5 additional structures.

However, several problems needed to be addressed. OIG observed that a two-story health-care facility built by the implementer was not in use and had deteriorated without maintenance. OIG noted damage to the roof tiles, a high-voltage electrical cable running across the roof of the building, a broken window, no running water or electricity, and mold on the interior walls. According to the contractor, the Government of Pakistan had not occupied the new facility because it did not want to abandon an old facility that was the subject of a land dispute. As a result, local residents could not



use the new facility for which USAID/Pakistan had spent \$864,000. During site visits, OIG also noted damaged roof tiles at many other completed facilities. Contractor representatives said that damaged roof tiles would be replaced with better tiles at no cost to USAID. The audit made four recommendations.

- **Audit of USAID/Pakistan's Gomal Zam Multipurpose Dam Project (Report No. G-391-12-008-P, August 24, 2012).** In January 2011, USAID/Pakistan entered into a fixed-amount reimbursement agreement with Pakistan's Water and Power Development Authority by which USAID reimburses WAPDA for expenses only after agreed-upon milestones have been certified by monitoring firms hired by USAID. USAID agreed to provide \$40 million to the Authority to complete the Gomal Zam Dam, which was 88 percent complete at the time. In October 2011, USAID/Pakistan amended the agreement to include an additional \$40 million to fund an irrigation component of the project, which was then 23 percent complete and included a main canal, distributaries, a barrage, and floodwater channels. As of July 2012, USAID/Pakistan had obligated approximately \$80 million and spent \$55 million for the project.

The main objectives of the project are to help the Government of Pakistan (1) meet more demand for electricity by adding power to the national power grid, (2) store water to provide a reliable source for irrigation, and (3) provide for flood control. When complete, the project is expected to use the water resources of the Gomal and Zhob Rivers to provide electricity to 25,000 households, irrigate 163,000 acres of land to support economic activity, and control flooding.

The audit confirmed that USAID's timely funding of Gomal Zam Multipurpose Dam was contributing to achieving the project goals of power generation, irrigation, and flood control. The dam was 98 percent complete and the irrigation component was 45 percent complete and on schedule. During the audit, OIG visited the dam site and the areas that benefit from the irrigation system. OIG noted that the southern districts of Khyber Pakhtunkhwa need water and energy, and that construction of the dam and the irrigation system should help meet these needs. In addition, OIG learned from local stakeholders that the dam construction helped mitigate flood damage in 2011. Notwithstanding this progress, completion of the dam was at least 3 months behind schedule because of delays in the assembly of a key component and a payment dispute between the project implementer and its subcontractor. These delays have cost an estimated \$10.55 million in labor, engineering, and security fees. The report made one recommendation to help ensure timely completion of the dam.

- **Audit of USAID/Pakistan's Assessment and Strengthening Program (Report No. G-391-12-009-P, September 30, 2012).** USAID/Pakistan launched the Assessment and Strengthening Program in October 2010 to (1) assist potential Pakistani partners in increasing their capacity to manage and account for U.S. Government development assistance funds, (2) reduce the vulnerability of funds to waste and misuse, and (3) increase the speed and efficiency of delivering USAID development resources to intended beneficiaries. To achieve the program's goals, the mission awarded separate cooperative agreements to the Rural Support Programmes Network, LUMS, and Associates in Development totaling \$44 million for the period from October 2010 to October

2015. As of May 31, 2012, cumulative obligations under the program had reached approximately \$13.4 million, and disbursements totaled \$5.3 million.

Between October 2010 and May 2012, the program initiated 38 institutional capacity-building programs, completed 5 preaward assessments, and carried out capacity-building activities. Activities for the governmental organizations included establishing planning documents, developing policies and procedures manuals, providing training classes to 278 participants, and completing a research project.

Despite these accomplishments, the program faced difficulties in increasing the capacity of local organizations and the Government of Pakistan. By May 2012, implementers had not finished any of the 46 programs planned for completion. In addition, program planning was insufficient. A results framework and preliminary performance management plan were not established until a year after the program began, and the USAID/Pakistan office managing the program lacked experience designing, planning, and implementing programs that, like this one, seek to build capacity in areas other than finance.

The report made three recommendations to address these issues.

- **Closeout Financial Audit of USAID Resources Managed by the Pakistan Poverty Alleviation Fund, for the Period August 12, 2010, to June 30, 2011 (Report No. G-391-12-014-R, July 10, 2012).** The audit covered total revenues and costs of \$3,950,666 and \$2,697,398, respectively. The audit concluded that, except for the effects of the questioned costs of \$1,146, the fund accountability statement presented fairly, in all material respects, program revenues and costs incurred under the agreements for the period audited. The questioned costs pertained to interest earned on a bank balance by a subrecipient that had not been refunded to USAID. The audit was concluded without any recommendations because the identified ineligible questioned costs had been raised in a previous audit (Report No. G-391-12-008-R).
- **Financial Audit of USAID Resources Managed by Khushhali Bank Limited, for the Year Ended December 31, 2011 (Report No. G-391-12-015-R, July 12, 2012).** The audit covered total revenues and costs of \$2,603,275 and \$2,161,710, respectively, under the USAID agreement managed by Khushhali Bank. The audit concluded that the fund accountability statement presented fairly, in all material respects, program revenues and costs incurred under the agreements for the period audited. The audit did not identify any material weakness in internal controls or any material instance of noncompliance. The audit was concluded without any recommendations.
- **Closeout Financial Audit of the Pakistan Competitiveness Support Fund, Limited Scope Grant Agreement No. 391-G-00-06-01073-00, Managed by the Competitiveness Support Fund, for the Period July 1, 2011, to March 31, 2012 (Report No. G-391-12-016-R, July 20, 2012).** The audit covered total revenues and costs of \$1,062,236 under the agreement. The audit concluded that the fund accountability statement presented fairly, in all material respects, program revenues and costs incurred under the agreement for the period audited. The audit did

not question any costs and did not identify any material weakness in internal control. However, the audit identified three material instances of noncompliance related to levels of financial contributions on the part of program counterparts and the failure to hold required meetings. No recommendations were made to address these issues because the program has ended. The audit made one recommendation, however, to recover \$9 million in cost-sharing shortfalls.

- **Closeout Financial Audit of The Aga Khan University's Flood Response Program, Agreement No. 391-G-00-10-01188-00, and National Nutrition Survey Supplement Program, Grant No. 391-G-11-00001-00, Managed by The Aga Khan University, for the Period January 1, 2011, to February 29, 2012 (Report No. G-391-12-017-R, September 13, 2012).** The audit covered combined program revenues and expenditures of \$5,667,991 and \$5,139,351, respectively. The audit concluded that the fund accountability statement for the programs presented fairly, in all material respects, program revenues and costs incurred under the agreements for the period audited. The audit did not identify any questioned costs, material weaknesses in internal controls, or material instances of noncompliance. No recommendations were made.
- **Financial Audit of USAID Funds Managed by the Higher Education Commission Under the Merit and Needs-Based Scholarship Program, USAID Activity No. 391-G-00-04-01023-00, for the Year Ended June 30, 2011 (Report No. G-391-12-018-R, September 25, 2012).** The audit, which covered revenues and costs of \$1,195,129 and \$1,029,213, respectively, found that the fund accountability statement presented fairly, in all material respects, program revenues and costs incurred for the period audited. Auditors did not question any costs, but did question the validity of the equivalent of \$1,326,000 in cost sharing claimed by the recipient. In addition, auditors identified 13 material instances of noncompliance with the agreement and related policies and procedures. OIG made two recommendations to address these issues.
- **Financial Audit of the Emergency Relief and Early Recovery for Flood Affectees Across Pakistan Program, Agreement No. 391-A-00-11-01204-00, Managed by the Rural Support Programmes Network, for the Period October 15, 2010, to June 30, 2011. (Report No. G-391-12-019-R, September 26, 2012).** The audit covered revenues and costs of \$8,089,284 and \$7,965,014 respectively, under the USAID agreement. Auditors questioned \$2,664,903 in costs pertaining to a subrecipient that was not audited as required and concluded that, with the exception of the effects of these questioned costs, the fund accountability statement presented fairly, in all material respects, program revenues and costs. Auditors identified an additional \$2,511 in questioned costs pertaining to interest earned on bank balances that was not refunded to USAID. OIG made two related recommendations.
- **Report on Agreed-Upon Forensic Procedures Performed on Procurement Costs Incurred by Rafi Peer Theatre Workshop to Implement the Pakistan Children's Television Project, Agreement No. 391-A-00-10-01161-00, for the Period May 7, 2010, to May 31, 2012 (Report No. G-391-12-001-O, July 31, 2012).** This report covered procurement costs of \$2,675,275 and identified questioned costs of \$2,030,417. These costs were

questioned because proper authorizations and documentation were not available or because related procurements were not made in a competitive fashion. The report identified several weaknesses in internal controls and instances of noncompliance and noted instances of potentially fraudulent transactions. One recommendation was made to determine the allowability and recover, as appropriate, the unsupported questioned costs. However, no procedural recommendations were made because the project was being terminated.

## Work Under Way

As of September 30, 2012, USAID OIG had 2 performance audits, 17 financial audits, and 1 agreed-upon procedures engagement in progress:

- **Audit of USAID/Pakistan’s Monitoring and Evaluation Program.** The audit will determine whether USAID/Pakistan is using results from its monitoring and evaluation program to manage its portfolio.
- **Audit of USAID/Pakistan’s Design for Sustainability in the Jamshoro Thermal Power Station Repair and Maintenance Activity.** This audit will determine whether USAID/Pakistan has built sustainability into the repair and maintenance of the Jamshoro Thermal Power Station.
- **Financial Audit of USAID Funds Managed by the Ministry of Economic Affairs and Statistics (Economic Affairs Division) Under the Cash Transfer Grant Agreement, Activity No. 391-012-IL-03 for University and Technical Education in FATA Through the Pakistan Higher Education Commission, for the Period September 30, 2009, to June 30, 2010.**
- **Financial Audit of USAID Funds Managed by the Water and Power Development Authority Under Agreement No. 391-TDR-FARA-002-00 for the Year Ended June 30, 2011.**
- **Financial Audit of USAID Funds Managed by the Water and Power Development Authority Under Agreement No. 391-PEPA-ENR-GOMAL-PIL-001, for the Year Ended June 30, 2011.**
- **Financial Audit of USAID Funds Managed by the Water and Power Development Authority Under Agreement No. 391-PEPA-ENR-SATPARA-PIL-001, for the Year Ended June 30, 2011.**
- **Financial Audit of USAID Funds Managed by Jamshoro Power Company Limited Under Agreement No. 391-JAM-FARA-003-00, for the Year Ended June 30, 2011.**

- **Financial Audit of USAID Funds Managed by Northern Power Generation Company Limited Under Agreement No. 391-MUZ-FARA-004-00, for the Year Ended June 30, 2011.**
- **Financial Audit of USAID Funds Managed by the Provincial Reconstruction and Rehabilitation and Settlement Authority Under Agreement Nos. 391-MLK-FARA-001-00 and 391-MLK-FARA-002-00 for the Reconstruction of Schools, for the Period April 9, 2010, to June 30, 2011.**
- **Financial Audit of USAID Funds Managed by the Ministry of Economic Affairs and Statistics (Economic Affairs Division) Under the Assistance Agreement, Activity No. 391-011 for Implementation of Assistance Programs for the Population of Conflict-Affected Areas, Managed by the Provincial Disaster Management Authority, for the Year Ended June 30, 2011.**
- **Financial Audit of USAID Funds Managed by the FATA Secretariat Under Agreement No. 391-SWA-FARA-001-00 for the Widening and Improvement of the Jandola-Kotkai-Sararogha Road, for the Year Ended June 30, 2011.**
- **Financial Audit of USAID Funds Managed by the FATA Secretariat Under Agreement No. 391-AAG-011-SWA-TANK for the Tank-Kaur and Kaur-Jandola Road, for the Year Ended June 30, 2011.**
- **Financial Audit of USAID Funds Managed by the FATA Secretariat Under Agreement No. 391-013-002 for the Kaur-Gomal-Tanai-Wana Road, for the Year Ended June 30, 2011.**
- **Financial Audit of USAID Funds Managed by the FATA Secretariat Under Agreement No. 391-013-001 for the Reactivation and Rehabilitation of Damaged Transformers, 33-Kilovolt High-Tension and 11-Kilovolt Low-Tension Lines, for the Period March 10 to June 30, 2011.**
- **Financial Audit of the Assessment and Strengthening Program for Civil Society Organizations and the Government of Pakistan, Agreement No. 391-A-00-11-01201-00, Managed by the Rural Support Programmes Network, for the Period October 12, 2010, to June 30, 2011.**
- **Closeout Financial Audit of the Emergency Relief Items to Communities Affected by Floods in Pakistan Program, Agreement No. 391-A-00-10-01187-00, Managed by the Rural Support Programmes Network, for the Period August 13, 2010, to June 30, 2011.**

- **Financial Audit of the Government of Pakistan’s Receipts and Disbursements of Special Rupee Accounts Under USAID-Funded Agreements.**
- **Financial Audit of USAID Resources Managed by the Rural Support Programmes Network as a Subrecipient of the Population Council Under the Family Advancement for Life and Health Program, Agreement No. 391-A-00-07-01092-00, for the Year Ended June 30, 2011.**
- **Financial Audit of USAID Resources Managed by the Rural Support Programmes Network as a Subrecipient of the National Rural Support Programme Under the Small Grants and Ambassador's Fund Program, Contract No. 391-C-00-10-01189-00, for the Period August 31, 2010, to June 30, 2011.**
- **Agreed Upon Procedures Review of USAID Resources Managed by the Rural Support Programs Network Under Agreement No. 391-A-00-11-01213-00 for the Sindh Agricultural Recovery Project, for the Period November 13, 2010, to July 31, 2011.**

## Work Planned

USAID OIG was finalizing its plans for FY 2013 oversight activities at the end of the reporting period.

## Investigative Work and the Anti-Fraud Hotline

As of September 30, 2012, USAID OIG had 27 open investigations pertaining to Pakistan. During the reporting period, OIG investigators closed two cases.

The following significant USAID OIG investigative developments took place between July 1 and September 30, 2012:

- **OIG Investigation Leads to Suspension of NGO and Proposed Debarment of Senior NGO Executive.** A previously reported OIG investigation related to the \$50 million Small Grants and Ambassador’s Fund Program revealed that an employee of the program implementer (NRSP) accepted a bribe from a grant recipient (the Khushal Welfare Organization) in exchange for a favorable grant closeout report. NRSP terminated its implicated employee in April 2012. In response to an OIG referral, in September 2012 USAID suspended the Khushal Welfare Organization from receiving future federal awards and proposed one of its senior executives for debarment.
- **Two Local National Embassy Housing Office Employees Terminated for Soliciting and Receiving Kickbacks.** USAID and State Department OIG conducted a joint investigation into allegations of fraudulent activity in Embassy Islamabad’s Housing Office. The investigation confirmed allegations of misconduct, solicitation, and acceptance of bribes from property owners by two local

Housing Office employees in exchange for favorable lease terms. Both employees were terminated in July 2012. In September 2012, the case was referred to Pakistan's National Accountability Bureau to pursue local prosecution.

- **Three Provincial Education Officials Terminated for Theft of Food Items.** In April 2012, community members from northern Sindh Province contacted the Anti-Fraud Hotline to report theft and diversion of cooking oil and high energy biscuits from a school-based food-for-education program implemented by WFP. OIG subsequently referred the matter to the WFP Beneficiary Feedback team, which conducted an inquiry into the allegations. The inquiry found large amounts of these food items in the local market and substantiated allegations that three school employees sold food items designated for the program to local vendors. After the matter was referred to the Sindh Department of Education, all three employees were terminated.

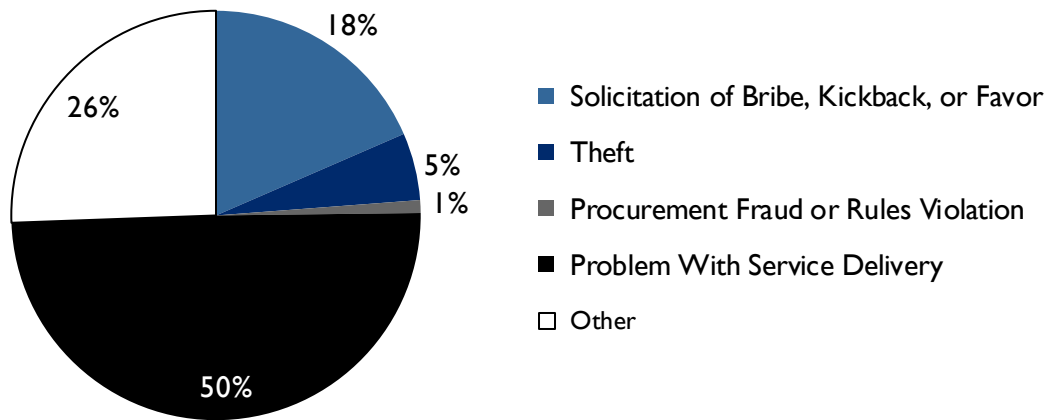
**Outreach.** During the reporting period, USAID OIG conducted three fraud awareness briefings for 26 participants. OIG outreach efforts targeted organizations implementing the \$155 million Sindh Basic Education Program. OIG personnel conducted site visits and provided fraud awareness presentations to implementer staff. OIG also continued to monitor the implementation of the government-to-government portion of the project, which will be executed by the Sindh Department of Education in accordance with the Sindh Public Procurement Rules of 2010. The Department of Education agreed to include contact information for the Anti-Fraud Hotline on all tenders for construction projects funded by the Sindh Basic Education Program so that bidders and members of the public will know how to report inappropriate activity in the bidding process.

**Anti-Fraud Hotline.** During the reporting period, USAID OIG also continued to work closely with the hotline to vet and investigate incoming complaints. This quarter, the hotline received 395 complaints.

As has been the case in previous quarters, most hotline complaints originated from Sindh Province in southeastern Pakistan. During this quarter, total complaints were distributed across Pakistan's regions as follows: Sindh 285 (72 percent), Punjab 41 (10 percent), Balochistan 23 (6 percent), Khyber Pakhtunkhwa 16 (4 percent), and FATA 16 (4 percent). Other provinces and administrative areas in Pakistan combined to account for 4 percent of complaints.

As shown in the following graphic, about half of complaints received during the reporting period related to service delivery.

## Distribution of Hotline Complaints by Type



Source: Transparency International—Pakistan.

Since its introduction in February 2011, the Anti-Fraud Hotline has been widely advertised on television, radio, newspaper, and billboards. As the only one of its kind in Pakistan, the hotline has received a large volume of complaints related to programs implemented by other agencies. USAID OIG refers these complaints to the appropriate agency for further review and investigation. From July 1 to September 30, 2012, OIG referred 80 hotline complaints to outside entities, including WFP, UNICEF, the UN Development Programme, the UN Office for Project Services, the World Bank, Pakistan’s BISP, Save the Children, and NRSP.

## U.S. Department of Agriculture Office of Inspector General

### Work Completed

From July 1 to September 30, 2012, USDA OIG completed one audit related to civilian assistance to Pakistan:

- **Audit of Section 632(a) Transfer of Funds From the U.S. Agency for International Development to the U.S. Department of Agriculture for Pakistan (Report No. 50601-0001-16, September 27, 2012).** In support of the U.S. Government’s objective to help the Pakistani people overcome political, economic, and security challenges, USDA is working with the Government of Pakistan to increase agricultural productivity, improve its capacity to provide agricultural services, and help improve rural livelihoods. In 2010 and 2011, USAID transferred a total of \$39 million to USDA’s Foreign Agricultural Service to build Pakistan’s capacity for marketing and productivity in the agriculture sector. To assess USDA agencies’ controls to monitor and provide oversight of USAID-transferred funds, OIG reviewed three priority projects that received \$25 million. Because these projects were just being implemented at the time of the review, OIG



was only able to examine the \$10.9 million that had been spent as of May 2012. OIG auditors confirmed that these funds were used properly, but were unable to verify whether all obligated funds were expensed and used in accordance with agreements between USAID and USDA. OIG noted that USDA is taking steps to establish controls to monitor and provide oversight of capacity-building projects in Pakistan, but has not yet implemented the relevant processes and procedures. For that reason, OIG was unable to fully assess the adequacy of monitoring and oversight controls. Accordingly, OIG did not make any recommendations.

## Government Accountability Office

GAO continues to assist congressional clients by conducting increased oversight of U.S. efforts in Pakistan. GAO completed one Pakistan-related engagement during this reporting period and had another ongoing engagement at quarter's end. GAO's plans for additional Pakistan-related work are subject to congressional interests and requests.

### Work Completed

From July 1 to September 30, 2012, GAO completed one engagement concerning Pakistan.

- **Counterterrorism: U.S. Agencies Face Challenges Countering the Use of Improvised Explosive Devices in the Afghanistan/Pakistan Region (GAO-12-907T, July 12, 2012).** Several U.S. agencies and international partners are engaged in efforts to assist Pakistan in countering IEDs but face challenges such as delays in obtaining visas and in the delivery of equipment. The U.S. FY 2013 Mission Strategic and Resource Plan for Pakistan includes a new performance indicator to track some of Pakistan's efforts to counter IEDs, but the indicator and targets used to measure progress do not cover the full range of U.S.-assisted efforts. To improve DOS's ability to track the progress of efforts in Pakistan to counter IEDs, GAO recommended that the Secretary of State direct the U.S. Mission in Pakistan to enhance its counter-IED performance measures to cover the full range of U.S.-assisted efforts. DOS committed to look for ways to broaden the scope of existing metrics to better reflect and evaluate interagency participation in counter-IED efforts.

### Work Under Way

As of September 30, 2012, GAO had one ongoing engagement concerning Pakistan:

- **Pakistan Visa Delays.** Since FY 2002, Pakistan has received in excess of \$25 billion in U.S. funding, including training provided to Pakistani officials. Much of this training is provided by U.S. officials; however, GAO has previously found that U.S. officials report encountering delays in obtaining visas to travel to Pakistan. GAO is (1) evaluating the extent to which U.S. officials experience delays in obtaining visas to travel to Pakistan and the causes of potential delays, (2) determining the effects of delays, if any, on the delivery of U.S. assistance and training programs,

and (3) examining steps taken by U.S. agencies to address potential delays and their effects. GAO expects to complete this engagement in the spring of 2013.

## Completed Oversight Reports as of September 30, 2012

Table 14 lists oversight reports completed since the passage of the Enhanced Partnership with Pakistan Act, October 15, 2009.

**Table 14. Oversight Reports Completed as of September 30, 2012**

Agency	Report Number	Report Date	Report Title
<i>FY 2012 Reports</i>			
DOS	AUD-MERO-12-46	09/30/12	Evaluation of the Local Guard Force Contract for Embassy Islamabad and Consulates General Karachi, Lahore, and Peshawar
DOS	ISP-I-12-49	09/30/12	Support for Department Employees Serving in Afghanistan, Iraq, and Pakistan
USAID	G-391-12-009-P	09/30/12	Audit of USAID/Pakistan's Assessment and Strengthening Program
DOD	DODIG-2012-135	09/27/12	Mi-17 Overhauls Had Significant Cost Overruns and Schedule Delays
USDA	50601-0001-16	09/27/12	Section 632(a) Transfer of Funds for Pakistan from USAID to USDA
USAID	G-391-12-019-R	09/26/12	Financial Audit of the Emergency Relief and Early Recovery for Flood Affectees Across Pakistan Program Managed by the Rural Support Programmes Network, for the Period October 15, 2010, to June 30, 2011
USAID	G-391-12-018-R	09/25/12	Financial Audit of USAID Funds Managed by the Higher Education Commission Under the Merit and Needs-Based Scholarship Program, for the Year Ended June 30, 2011
USAID	G-391-12-017-R	09/13/12	Closeout Financial Audit of the Aga Khan University's Flood Response Program and National Nutrition Survey Supplement Program, for the Period January 1, 2011, to February 29, 2012
USAID	G-391-12-008-P	08/24/12	Audit of USAID/Pakistan's Gomal Zam Multipurpose Dam Project
USAID	G-391-12-007-P	08/16/12	Audit of USAID/Pakistan's Reconstruction Program in Earthquake-Affected Areas
USAID	G-391-12-001-O	07/31/12	Report on Agreed-Upon Forensic Procedures Performed on Procurement Costs Incurred by Rafi Peer Theatre Workshop to Implement the Pakistan Children Television Project, for the Period May 7, 2010, to May 31, 2012

Agency	Report Number	Report Date	Report Title
USAID	G-391-12-016-R	07/20/12	Closeout Financial Audit of the Pakistan Competitiveness Support Fund for the Period July 1, 2011, to March 31, 2011
GAO	GAO-12-907-T	07/12/12	U.S. Agencies Face Challenges Countering the Use of Improvised Explosive Devices in the Afghanistan/Pakistan Region
USAID	G-391-12-015-R	07/12/12	Financial Audit of USAID Resources Managed by Khushali Bank Limited, for the Year Ended December 31, 2011
USAID	G-391-12-014-R	07/10/12	Closeout Financial Audit of USAID Resources Managed by the Pakistan Poverty Alleviation Fund, for the Period August 12, 2010, to June 30, 2011
USAID	G-391-12-001-S	06/18/12	Review of USAID/Pakistan's Cost Estimates for Shipping and Storage
USAID	G-391-12-013-R	06/12/12	Financial Audit of the Gender Equity Program Managed by the Aurat Publication and Information Service Foundation, for the Period August 15, 2010, to June 30, 2011
USAID	G-391-12-003-Q	06/12/12	Quality Control Review of the Audit Report and Audit Documentation for the Financial Audit Conducted by Ernst & Young Ford Rhodes Sidat Hyder of the Gender Equity Program, Managed by Aurat Publication and Information Service Foundation, for the Period August 15, 2010, to June 30, 2011
DOS	ISP-C-12-28A	05/24/12	Compliance Followup Review of Embassy Islamabad and Constituent Posts, Pakistan
USAID	G-391-12-006-P	05/21/12	Audit of USAID/Pakistan's Support to the Benazir Income Support Program
GAO	GAO-12-614	05/15/12	State Should Enhance Its Performance Measures for Assessing Efforts in Pakistan to Counter Improvised Explosive Devices
USAID	G-391-12-012-R	05/10/12	Financial Audit of the USAID/Pakistan Grant Agreement Managed by the Health Service Academy, for the Period July 1, 2010, to June 30, 2011
DOS	AUD/MERO-12-29	04/30/12	Evaluation of the Antiterrorism Assistance Program for Countries Under the Bureaus of Near Eastern Affairs and South and Central Asian Affairs

Agency	Report Number	Report Date	Report Title
USAID	G-391-12-011-R	04/24/12	Financial Audit of Projects Managed by Lahore University of Management Sciences: the Foreign Recipient Contracted Assessment and Strengthening Program and Subrecipient Contracted Merit and Needs-Based Scholarship Program, for the Year Ended June 30, 2011
USAID	G-391-12-005-P	04/20/12	Audit of USAID/Pakistan's Entrepreneurs Project
USAID	G-391-12-010-R	04/17/12	Financial Audit of the Pakistan Children's Television Project Managed by the Rafi Peer Theatre Workshop, for the Period May 7, 2010, to June 30, 2011
USAID	G-391-12-009-R	04/17/12	Financial Audit of the Monitoring and Evaluation Project and Assessment and Strengthening Program Managed by Associates in Development (Private) Limited, for the Period January 1, 2010, to June 30, 2011
USAID	G-391-12-008-R	04/03/12	Financial Audit of the USAID Resources Managed by National Rural Support Programme (NRSP), for the Period July 1, 2010, to June 30, 2011
USAID	G-391-12-002-Q	04/03/12	Quality Control Review of the Audit Report and Audit Documentation for the Financial Audit Conducted by Avais Hyder Liaqut Nauman of Anti-Corruption Program Pakistan and the Anti-Fraud Hotline Program Managed by Transparency International-Pakistan, for the Year Ended June 30, 2011
USAID	G-391-12-001-N	03/20/12	Financial Audit of USAID/Pakistan's Rupee Trust Fund for the Period October 1, 2009, to September 30, 2011
USAID	G-391-12-004-P	03/16/12	Audit of USAID/Pakistan's Pre-Service Teacher Education Program
USAID	G-391-12-007-R	03/06/12	Financial Audit of the Pakistan Competitiveness Support Fund for the Period July 1, 2010, to June 30, 2011
USAID	G-391-12-006-R	02/24/12	Financial Audit of Budgetary Support Managed by the Economic Affairs Division of the Government of Pakistan for the Period June 8, 2009, to June 15, 2011
USAID	G-391-12-001-Q	02/17/12	Quality Control Review of the Financial Audit Conducted by the Directorate General Audit, Federal Government, Department of the Auditor General of Pakistan, of the Merit and Needs-Based Scholarship Project Managed by the Higher Education Commission, for the Period July 2, 2004, to June 30, 2010

<b>Agency</b>	<b>Report Number</b>	<b>Report Date</b>	<b>Report Title</b>
USAID	G-391-12-005-R	02/17/12	Financial Audit of the Merit and Needs-Based Scholarship Project Managed by the Higher Education Commission for the Period July 2, 2004, to June 30, 2010
USAID	G-391-12-003-P	02/03/12	Audit of USAID's Pakistan Transition Initiative Program
USAID	G-391-12-004-R	01/13/12	Financial Audit of Anti-Corruption Program Pakistan and Anti-Fraud Hotline Pakistan Managed by Transparency International—Pakistan for the Year Ended June 30, 2011
USAID	G-391-12-003-R	01/06/12	Financial Audit of the Aga Khan University Flood Response Program for the Period August 30, 2010, to December 31, 2010
GAO	NA	11/29/11	Pakistan: Assessment of State's Justification to Support Its Certification of Pakistan's Cooperation (Classified)
USAID	G-391-12-002-P	11/23/11	Audit of USAID/Pakistan's Energy Efficiency and Capacity Program
USAID	G-391-12-001-P	11/03/11	Audit of USAID/Pakistan's Firms Project
USAID	G-391-12-002-R	11/03/11	Financial Audit of Budgetary Support to the Government of Pakistan, USAID/Pakistan Program Assistance Agreement No. 391-005-ES-07, Managed by the Ministry of Finance, for the Year Ended June 30, 2008
USAID	G-391-12-001-R	10/26/11	Financial Audit of Budgetary Support Managed by the Benazir Income Support Program for the Period From September 30, 2009, to March 31, 2011
<b><i>FY 2011 Reports</i></b>			
USAID	G-391-11-005-R	09/21/11	Financial Audit of the Business Revitalization Program Managed by Khushhali Bank for the Period February 6, 2010, to December 31, 2010
GAO	GAO-11-860SU	09/20/11	Combating Terrorism: Pakistan Counterinsurgency Funds Disbursed, but Human Rights Vetting Process Can Be Enhanced
USAID	G-391-11-006-P	08/29/11	Audit of USAID/Pakistan's Community Rehabilitation Infrastructure Support Program
GAO	GAO-11-786R	07/19/11	Pakistan Assistance: Relatively Little of the \$3 Billion in Requested Assistance Is Subject to State's Certification of Pakistan's Progress on Nonproliferation and Counterterrorism Issues

<b>Agency</b>	<b>Report Number</b>	<b>Report Date</b>	<b>Report Title</b>
DOS	ISP-I-11-47	06/30/11	Inspection of the Bureau of South and Central Asian Affairs
DOS	ISP-I-11-48	06/30/11	Inspection of the Office of the Special Representative for Afghanistan and Pakistan
USAID	G-391-11-003-Q	06/23/11	Quality Control Review of the Audit Report and Audit Documentation for the Financial Audit Conducted by A.F. Ferguson, of the Forman Christian College, for the Period July 1, 2009 to March 31, 2010
USAID	G-391-11-004-R	06/23/11	Closeout Financial Audit of the Forman Christian College for the Development of a 4-Year Bachelor Degree Program and Strengthening Programs in Basic Science and Information Technology, for the Period July 1, 2009, to March 31, 2010
USAID	G-391-11-005-P	06/20/11	Audit of USAID/Pakistan's Road Rehabilitation and Reconstruction Activities Under the Quick Impact Projects in South Waziristan
USAID	G-391-11-001-N	05/26/11	Financial Audit of USAID/Pakistan's Rupee Trust Fund for the Period October 1 2006, to September 30, 2009
USAID	G-391-11-002-Q	05/10/11	Quality Control Review of the Audit Report and Audit Documentation for the Financial Audit Conducted by Nasir Javaid Maqsood Imran of the Pakistan Competitiveness Support Fund for the Period July 1, 2009, to June 30, 2010
USAID	G-391-11-003-R	05/10/11	Financial Audit of the Pakistan Competitiveness Support Fund for the Period July 1, 2009, to June 30, 2010
USAID	G-391-11-004-P	05/06/11	Audit of USAID/Pakistan's Management of Preaward Assessments
USAID	G-391-11-001-Q	04/08/11	Quality Control Review of the Audit Report and Audit Documentation for Financial Audits Conducted by Khalid Majid Rahman Sarfraz Rahim Iqbal Rafiq of the Interactive Teaching and Learning Project Managed by Children's Global Network Pakistan Limited, for the Period July 1, 2008, to February 26, 2010
USAID	G-391-11-002-R	04/08/11	Closeout Financial Audit of the Interactive Teaching and Learning Project, and Financial Audit of the Links to Learning Education Support to Pakistan Program Subaward Managed by Children's Global Network Pakistan Limited, for the Period July 1, 2008, to February 26, 2010
GAO	GAO-11-310R	02/17/11	Department of State's Report to Congress and U.S. Oversight of Civilian Assistance to Pakistan Can Be Further Enhanced

<b>Agency</b>	<b>Report Number</b>	<b>Report Date</b>	<b>Report Title</b>
GAO	GAO-11-156R	02/15/11	Accountability for U.S. Equipment Provided to Pakistan Security Forces in the Western Frontier Needs to Be Improved
USAID	G-391-11-003-P	01/24/11	Audit of USAID/Pakistan's Flood Relief Efforts as Administered by Local Nongovernmental Organizations
DOS	MERO-I-11-01	01/18/11	The Bureau of Population, Refugees and Migration's Internally Displaced Persons Program in Pakistan
USAID	G-391-11-001-R	12/30/10	Closeout Financial Audit of Khushhali Bank Limited Under the Developing Non-Bankable Territories for Financial Services Program, for the Period January 1, 2009, to September 30, 2009
USAID	G-391-11-002-P	12/10/10	Audit of USAID/Pakistan's Livelihood Development Program for the Upper Region of the Federally Administered Tribal Areas
USAID	G-391-11-001-P	12/10/10	Audit of USAID/Pakistan's Livelihood Development Program for the Lower Region of the Federally Administered Tribal Areas
USAID	G-391-11-001-D	11/08/10	Financial Audit of the Costs Incurred by Research Triangle Institute Under the Education Sector Reform Assistance Program's School Enhancement Program Component, for the Period December 4, 2002, to September 30, 2007
<b><i>FY 2010 Reports</i></b>			
USAID	5-391-10-012-P	8/31/10	Audit of USAID/Pakistan's Family Advancement for Life and Health Program
USAID	G-391-10-001-R	08/04/10	Financial Audit of the Pakistan Competitiveness Support Fund for the Period February 3, 2006, to June 30, 2009
USAID	5-391-10-010-P	06/28/10	Audit of USAID/Pakistan's Primary Healthcare Revitalization, Integration and Decentralization in Earthquake-Affected Areas Project
USAID	5-391-10-001-S	06/28/10	Review of USAID's Internally Displaced Persons Programs in Pakistan
DOS	ISP-I-10-64	06/30/10	Inspection of Embassy Islamabad, Pakistan
USAID	5-391-10-033-R	05/18/10	Financial Audit of USAID Funds Managed by Forman Christian College, Lahore, for the Period July 1, 2007, to June 30, 2009



<b>Agency</b>	<b>Report Number</b>	<b>Report Date</b>	<b>Report Title</b>
USAID	5-391-10-029-R	04/30/10	Financial Audit of USAID Funds Managed by Khushhali Bank for the Year Ended December 31, 2008
GAO	GAO-10-289	04/15/10	Combating Terrorism: Planning and Documentation of U.S. Development Assistance in Pakistan's Federally Administered Tribal Areas Need to Be Improved
USAID	5-391-10-026-R	03/24/10	Closeout Financial Audit of USAID Funds Managed by Greenstar Social Marketing Pakistan (Guarantee) Limited, for the Period July 1 to December 31, 2007
DOS	MERO-A-10-03	03/30/10	The Bureau of International Narcotics and Law Enforcement Affairs Air Wing Program in Afghanistan and Pakistan, Performance Audit
USAID	5-391-10-020-R	02/11/10	Closeout Financial Audit of USAID Funds Managed by Aga Khan University—Examination Board, for the Year Ended December 31, 2007
USAID	5-391-10-005-P	01/28/10	Audit of USAID/Pakistan's Capacity Building for the Federally Administered Tribal Areas Development Program
USAID	5-391-10-012-R	12/22/09	Financial Audit of USAID Funds Managed by Children's Global Network Pakistan Limited, for the Year Ended June 30, 2008
DOS	MERO-A-10-02	12/23/09	Status of the Bureau of International Narcotics and Law Enforcement Affairs Counternarcotics Programs in Afghanistan, Performance Audit
DOS	MERO-A-10-01	11/09	Effectiveness and Efficiency of the Bureau of International Narcotics and Law Enforcement Affairs Counternarcotics Programs in Pakistan, Performance Audit

## Appendix—Abbreviations

ATA	Antiterrorism Assistance Program
BISP	Benazir Income Support Program
CDC	Centers for Disease Control and Prevention, U.S. Department of Health and Human Services
DOC	U.S. Department of Commerce
DOD	U.S. Department of Defense
DOS	U.S. Department of State
DRL	Bureau of Democracy, Human Rights, and Labor, U.S. Department of State
ERMA	Emergency Refugee and Migration Assistance
ESF	Economic Support Fund
EXBS	Export Control and Related Border Security Assistance Program
FATA	Federally Administered Tribal Areas
FFP	Food for Peace
FY	fiscal year
GAO	Government Accountability Office
GHCS	Global Health and Child Survival
GSP	U.S. Generalized System of Preferences
IDP	internally displaced person
IED	improvised explosive device
INCLE	International Narcotics and Law Enforcement

INL	Bureau of International Narcotics and Law Enforcement Affairs, U.S. Department of State
LUMS	Lahore University of Management Sciences
MRA	Migration and Refugee Assistance
NADR	Nonproliferation, Anti-terrorism, Demining, and Related Programs
NADRA	National Database and Registration Authority
NGO	nongovernmental organization
NRSP	National Rural Support Programme
OCHA	UN Office for the Coordination of Humanitarian Affairs
OFDA	U.S. Office of Foreign Disaster Assistance, U.S. Agency for International Development
OIG	Office of Inspector General
PaRRSA	Provincial Reconstruction, Rehabilitation and Settlement Authority
PAS	Public Affairs Section (U.S. Embassy Islamabad)
POL	Political Section (U.S. Embassy Islamabad)
PRM	Bureau of Population, Refugees, and Migration, U.S. Department of State
RAPID	Responding to Pakistan's Internally Displaced
RSO	Regional Security Office (U.S. Embassy Islamabad)
SABIT	Special American Business Internship Training Program
UN	United Nations
UNHCR	UN High Commissioner for Refugees
UNICEF	UN Children's Fund
UNODC	UN Office of Drugs and Crime

USAID	U.S. Agency for International Development
USDA	U.S. Department of Agriculture
USIP	U.S. Institute of Peace
USTDA	U.S. Trade and Development Agency
WAPDA	Water and Power Development Authority
WFP	World Food Programme