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

As of December 31, 2012



Foreword

This is the twelfth 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 October 1 to December 31, 2012. The U.S. Embassy reported that, as of December 31, 2012, \$3.612 billion in civilian assistance funds for fiscal years 2010, 2011, and 2012 had been obligated and that \$3.278 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, Commerce, Defense, Homeland Security, Justice, and State, as well as by the Government Accountability Office.

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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 December 31, 2012, \$3.612 billion in civilian assistance funds for FYs 2010, 2011, and 2012 had been obligated and that \$3.278 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, 2011, and 2012, USAID awarded \$2.211 billion to governmental and nongovernmental Pakistani institutions. From October 1 through December 15, 2012, USAID made awards to these groups totaling \$36.8 million. To overcome risks to its programs and improve monitoring and oversight of them, USAID continued to conduct preaward assessments of local implementing partners and hired independent monitors to report on project developments.

To protect USAID funds against waste and theft, USAID's Office of Inspector General (OIG) pursued hotline complaints and conducted investigations and audits. OIG investigations resulted in the resignation of the head of one local USAID implementer and the establishment of a conflict-of-interest policy by another. USAID OIG also issued 15 financial audits and 2 agreed-upon procedures reports relating to assistance programs in Pakistan. In total, these reports made 13 recommendations for program improvement and questioned approximately \$13.6 million in costs.

The Department of State (DOS) OIG completed a followup review on the Fulbright Program in Pakistan during the quarter. Auditors found that DOS had made several program improvements in response to

past OIG recommendations but had not ensured that the U.S. Educational Foundation in Pakistan had instituted an adequate internal control system.

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, in democratic, economic, and development assistance.

In 2009, DOS developed a strategy for providing civilian assistance to Pakistan.¹ 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.² 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 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 December 2012, nine polio-eradication workers were targeted and killed because of their involvement with polio vaccination drives. According to a database of incidents of violence against aid workers, 33 aid workers were killed in Pakistan, 26 wounded, and 31 abducted from October 2009 to December 2012.³

Since the ratification of the Enhanced Partnership with Pakistan Act, the U.S. Congress has appropriated \$3.531 billion in civilian assistance funding for Pakistan through four foreign operations accounts. As of December 31, 2012, the U.S. Embassy in Islamabad reported that U.S. Government agencies had

¹ *Pakistan Assistance Strategy Report*, December 14, 2009.

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

³ Humanitarian Outcomes, *Aid Worker Security Database, 2009–12*, <https://aidworkersecurity.org/>, retrieved December 31, 2012.

obligated \$2.592 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 December 31, 2012
(\$ Million; Unaudited)**

Fund	Appropriated*				Agency	Obligated	
	FY 2010	FY 2011	FY 2012	Total		FYs 2010–2012	
Economic Support Fund (ESF)		1,247.0	891.0	864.7	3,002.7	Department of Commerce (DOC)	1.0
						Department of Defense (DOD)	14.0
						DOS	74.7
						Department of the Treasury (DOT)	0.1
						USAID	2,073.1
						U.S. Department of Agriculture (USDA)	29.1
						U.S. Institute of Peace (USIP)	3.0
						U.S. Trade and Development Agency (USTDA)	3.0
					Subtotal	2,198.1	
Global Health and Child Survival (GHCS)	29.7	28.4	–	58.1	USAID	54.7	
International Narcotics and Law Enforcement (INCLE)	170.0	114.3	116.0	400.3	DOS	284.4	
Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR)	23.9	24.8	20.8	69.5	DOS	55.2	
Total	1,470.6	1,058.5	1,001.5	3,530.6		2,592.4	

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

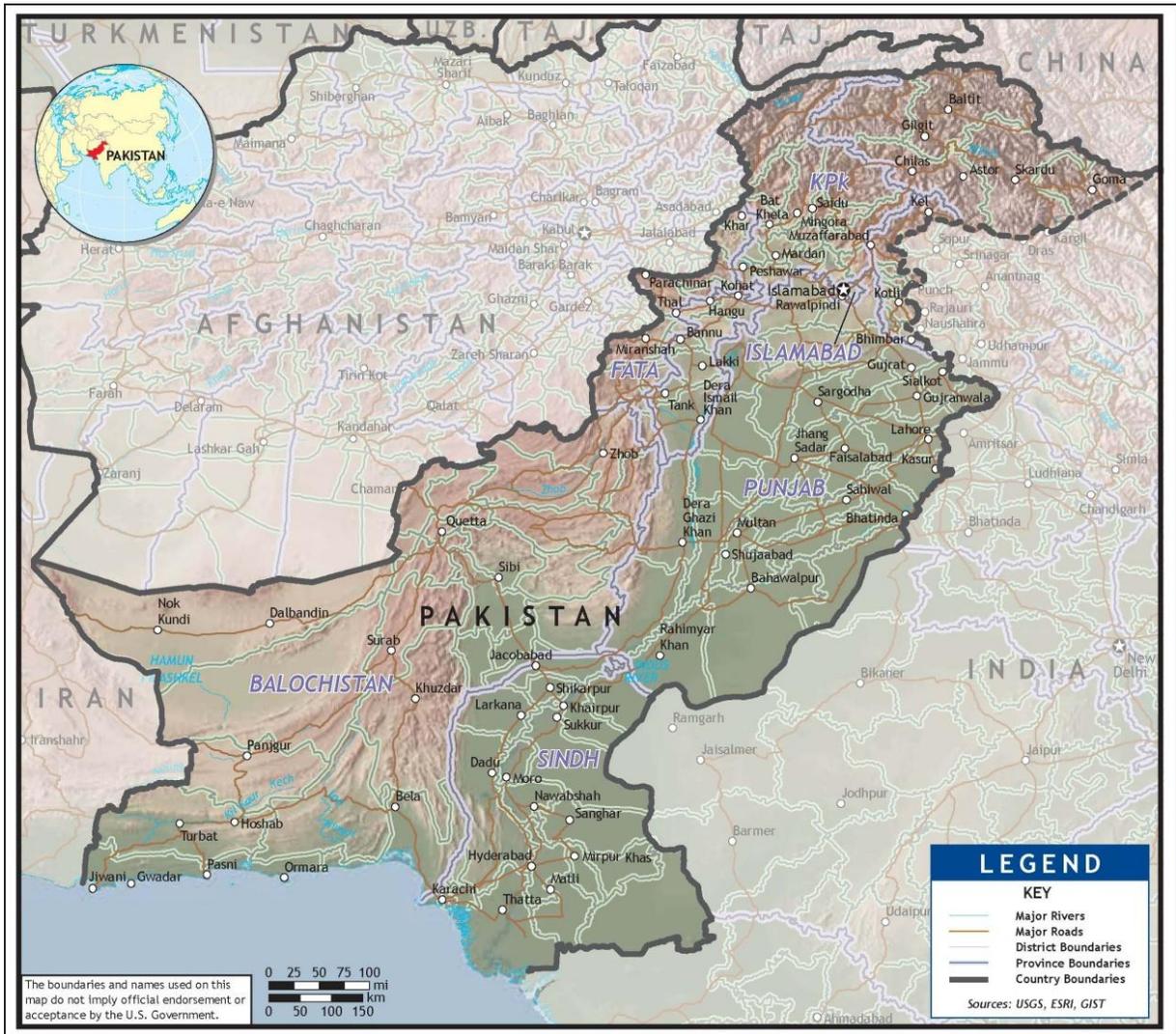
* Reported amounts are limited to funds that were designated for use in Pakistan during the appropriations process. Foreign operations appropriations for FY 2010 were provided in the Consolidated Appropriations Act, 2011, Public Law 111-117 (December 16, 2009) and the Supplemental Appropriations Act, 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 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 half of stabilization sector obligations and more than a quarter of U.S. humanitarian assistance obligations.

The President's budget request for FY 2013 included \$1.071 billion in ESF, INCLE, and NADR funds for civilian assistance to Pakistan. However, Congress had not settled on final funding levels for FY 2013 by the end of the reporting period. In September, Congress passed a resolution to continue funding federal programs and activities through March 27, 2013.⁴ None of this funding was allocated for assistance to Pakistan.

⁴ Continuing Appropriations Resolution, 2013, Public Law 112-175 (September 28, 2012).

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 December 31, 2012, \$3.612 billion in civilian assistance funds from FYs 2010, 2011, and 2012 had been obligated and that \$3.278 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 and Fund as of December 31, 2012
(\$ Million; Unaudited)**

Sector	Fund	Obligated*				Disbursed [†] FYs 2010–2012
		FY 2010	FY 2011	FY 2012	Total	
Energy	ESF	98.3	237.5	0.0	335.8	195.7
	Subtotal	98.3	237.5	0.0	335.8	195.7
Economic Growth [‡]	ESF	98.6	178.1	0.3	277.0	153.1
	Subtotal	98.6	178.1	0.3	277.0	153.1
Stabilization [‡]	ESF	253.8	150.4	0.6	404.8	461.4
	INCLE	166.0	114.4	4.0	284.4	140.6
	NADR	32.0	22.4	0.8	55.2	24.8
	Pakistan Counterinsurgency Fund (PCF) [§]	–	70.0	–	70.0	–
	Subtotal	451.8	357.2	5.4	814.4	626.8
Education	ESF	225.9	101.8	19.5	347.2	280.7
	Subtotal	225.9	101.8	19.5	347.2	280.7
Health	ESF	196.9	57.5	–	254.4	212.7
	GHCS	27.5	27.2	–	54.7	
	Subtotal	224.3	84.7	–	309.1	212.7

Sector	Fund	Obligated*				Disbursed [†] FYs 2010–2012
		FY 2010	FY 2011	FY 2012	Total	
Crosscutting Priorities**	Consular and Diplomatic Programs	6.9	9.5	25.6	42.0	14.6
	ESF	109.6	134.6	–	244.2	116.5
	Human Rights and Democracy Fund	2.1	–	–	2.1	1.7
	Subtotal	118.6	144.1	25.6	288.3	132.8
Humanitarian Assistance	ERMA	33.0	–	–	33.0	33.0
	ESF	334.7	–	–	334.7	683.0
	Food for Peace	96.8	115.1	98.2	310.0	310.2
	International Disaster Assistance	358.6	60.1	41.0	459.6	547.0
	MRA	57.0	33.5	12.2	102.7	102.7
	Subtotal	880.1	208.6	151.3	1,240.1	1,675.9
Total		2,097.8	1,312.0	202.1	3,611.9	3,277.6

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 the funds were appropriated or obligated. Some disbursements during 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.

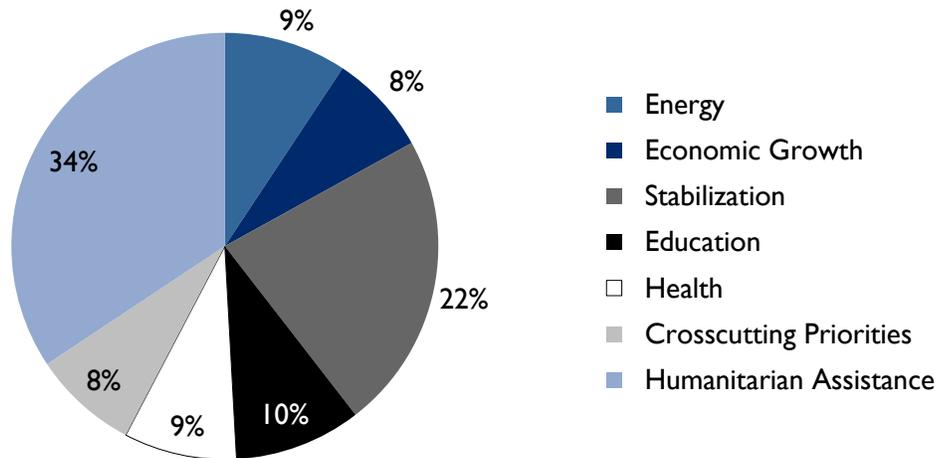
‡ The U.S. Embassy modified its approach for reporting on sector obligations and disbursements. As result, obligations and disbursements that were reported under Economic Growth in past quarters are now reported under Stabilization.

§ DOD transferred PCF funds to USAID to support reconstruction work on the road between Peshawar and Torkham.

** In addition to funds from Consular and Diplomatic Programs, ESF, and the Human Rights and Democracy Fund, U.S. Government assistance to Pakistan for crosscutting priorities has been supported by less than \$100,000 in Development Assistance funding.

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

Figure I. Distribution of Civilian Assistance Obligations by Sector



Source: U.S. Embassy Islamabad.

Eight federal agencies have provided civilian assistance to Pakistan. Of these, USAID and DOS are the source of most related spending, accounting for 87 and 12 percent, respectively. Detailed information on the distribution of U.S. assistance funds by federal agency and office appears in Appendix I.

Energy

More than a third of Pakistanis do not have access to electricity and the nation’s overall per capita energy consumption is among the lowest in Asia. The World Bank rates the time, cost, and procedural requirements for a business to obtain an electrical connection in Pakistan to be among the 15 most onerous in the world.

Pakistan’s relatively low level of demand for energy frequently outstrips its supply. Blackouts are a common feature of daily life and have significant adverse effects on household and business consumers. Energy price fluctuations and inconsistent supply undercut Pakistan’s industrial and agricultural productivity and contribute to unemployment. 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.

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 had eight energy programs under way during the reporting period (Table 3). To meet growing energy demands, USAID's programs seek to help the Pakistani Government supply hydropower by completing and rehabilitating dams and thermal power stations.

Table 3. USAID Energy Programs as of December 31, 2012 (Unaudited)

Name	Description	Start Date	End Date	Implementing Partner	Funding (\$)
Energy Policy Project	Provides technical and engineering support to USAID-funded infrastructure projects implemented by the Government of Pakistan	2/12	10/15	Advanced Engineering Associates International	33,336,559
Gomal Zam Dam Project	Increases hydropower capacity and builds transmission lines	1/11	9/13	Water and Power Development Authority (WAPDA)	40,000,000
Guddu Project	Repairs and maintains a thermal power station	5/10	6/13	Central Power Generation Company Limited	18,068,000
Jamshoro Project	Rehabilitates a thermal power station	5/10	6/13	Jamshoro Power Company Limited	18,360,000
Muzaffargarh Project	Rehabilitates a thermal power station	5/10	6/13	Northern Power Generation Company Limited	15,193,000
Power Distribution Project	Improves the management capacity, financial systems, and billing and collection systems of power distribution companies	9/10	10/15	International Resources Group	71,849,409
Satpara Dam Project	Increases hydropower capacity by 17 megawatts	1/11	4/13	WAPDA	26,000,000
Tarbela Dam Project	Rehabilitates a hydropower station	4/10	12/13	WAPDA	16,500,000

Source: USAID/Pakistan.

As of December 31, 2012, USAID reported that it had added a cumulative total of 805 megawatts of capacity to Pakistan's electrical grid through construction and rehabilitation efforts. This is equivalent to about 7 percent of power generation reported by the Ministry of Water and Power in October 2012.

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

- Progress continued on six 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 total approximately \$111 million.
- Since early 2010, projects at the Jamshoro and Muzaffargarh thermal power plants have added 95 megawatts and 480 megawatts, respectively, of power generation capacity. Major equipment replacement efforts under way at the Jamshoro facility are expected to add another 55 megawatts of capacity. Work at the Muzaffargarh plant has increased its power generation capacity by 5 megawatts more than anticipated and is expected to produce additional gains in the future.
- The Gomal Zam Dam Project will provide Pakistan with 17.4 megawatts of additional generation capacity. Project work on the main dam and spillway and mechanical testing have been completed, and the installation of transmission line towers and switchyard connections is nearing completion. The abduction of eight WAPDA employees and the subsequent murder of one in September 2012 have lowered the morale of workers. However, work on the project continues.
- The Satpara Dam will add about 17.6 megawatts to Pakistan's electrical supply. Work on the dam has thus far added 6 megawatts of production capacity. U.S. Government financing helped complete construction of the dam and two of four powerhouses. Construction of the remaining powerhouses is about 90 percent complete.
- Work on the Tarbela Dam has increased power generation capacity by 128 megawatts, the targeted amount. Efforts now focus on completing the computer system to monitor and control the dam as well as the digital controls for the dam's turbines. These features will contribute to the long-term sustainability of the power plant. At the end of the reporting period, digital controls were being installed and the computer system was being procured.
- In late November 2012, U.S. Ambassador Olson visited the Mangla Dam and pledged up to \$150 million for rehabilitation activities to add 70 megawatts of power generation and extend the productive life of the facility.
- The Power Distribution Project has saved 79.1 megawatts of energy flow in Pakistan's grid by introducing new technology and improving work practices in all nine government-owned

distribution companies. Project work to date will increase company revenues by \$33.7 million a year.

- Power Distribution Project energy efficiency activities continued this quarter with an emphasis on efficient municipal water pump sets and industrial motors. Working with municipal governments, the project successfully installed 139 high-efficiency pumps at municipal stations in and around Islamabad and Karachi. These pumps will save municipalities \$541,000 in electricity billings each year.
- During the quarter, project efforts to improve meter reading focused on the Peshawar Electric Supply Company and the Multan Electric Power Company. Activities target improved meter accuracy, customer billing accuracy, and theft reduction. To date, these improved meter-reading efforts have reduced customer complaints by 86 percent and led to the recovery of approximately \$297,000.
- A pilot project with the Lahore Electric Supply Company on loss reduction and revenue recovery was expanded at the request of the company's board of directors. The pilot, which focused on improvements to a single feeder power line and is expected to yield a 233 percent return on investment in 1 year, is being expanded to 17 additional feeder lines. When fieldwork ends in June 2013, the project estimates that the electric supply company will save an estimated \$1 million annually through decreased losses and increased revenue.
- This quarter, 1,200 power utility employees received training to improve operational performance, customer service, and financial results. Training activities this quarter involved power system management, communications, human resource management, safety, operations and maintenance, gender issues, and other areas.
- Instructors trained under the Power Distribution Project conducted safety training for 200 more distribution company linemen this quarter. Distribution companies continue to conduct the training program using their own resources, to extend it to the remaining linemen. Serious injuries and deaths of distribution company linemen have dropped by 60 percent since the training program began, and no linemen who received the safety training were involved in any of the reported accidents.

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 slows project disbursements. In response, USAID has increased capacity building for thermal plant personnel in procurement, financial and human resources, and administrative management. In April 2012, USAID also amended the agreements for the three thermal power plants to comply with Pakistani Government banking procedures and to guarantee that sufficient funds are available to implementers for required foreign exchange procurements. These changes have resulted in an increase of \$30 million in disbursements to the Government of Pakistan since the agreements were amended. 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 the value of 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 policy limitations.

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.

- The Market Research Program aims to provide interested investors with information about promising sectors of Pakistan's economy.
- DOC prepares preliminary information memorandums to highlight projects with high potential for financial return.
- 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 many U.S. exhibitors.
- The Commercial Law Development Program provides technical assistance in commercial law to foreign governments and private sector representatives to support their economic development goals.
- The Business Training for Export Diversification Program promotes the expansion and diversification of Pakistani exports to the United States through training events and exchanges.

- DOC’s Pakistan Special American Business Internship Training is designed to accelerate Pakistani export diversification and to connect Pakistani entrepreneurs with the business partners and suppliers they will need to help sustain Pakistan’s economic growth.

DOC reported the following Commercial Law Development Program achievements during the quarter:

- In September, DOC led a delegation of Pakistani officials and university and private sector representatives to the United States to learn more about university-to-industry partnerships for commercializing university 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 offered participating university officials seed capital for start-up projects and collaboration on a robotics incubator.
- In October, the program sponsored a 2-week technology transfer exchange for a delegation from Pakistan's Higher Education Commission (HEC) and four science and technology universities. Since 2010, the program introduced faculty from select science and technology universities in Pakistan to technology transfer organizations and technology incubators at U.S. universities that showcase best practices for promoting innovation and entrepreneurship. During this most recent exchange, the delegation participated in an informational session on intellectual property at the United States Patent and Trademark Office that covered patents, trademarks, copyrights, and trade secrets. The delegation then visited Princeton University, Oklahoma State University, and Carnegie Mellon University to learn about the innovation and entrepreneurship policies, facilities, and human capital they have in place. Participants were also introduced to different approaches for facilitating university, faculty, and student innovation.

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, development of provincial irrigation systems, and the production and sale of agricultural commodities, among other activities.

**Table 4. USAID Programs to Promote Economic Growth as of December 31, 2012
(Unaudited)**

Name	Description	Start Date	End Date	Implementing Partner	Funding (\$)
Agribusiness Project	Increases productivity, product quality, and competitiveness of agribusiness value chains*	11/11	11/16	Agribusiness Support Fund	27,300,000

Name	Description	Start Date	End Date	Implementing Partner	Funding (\$)
Agriculture Policy Project	Strengthens policy analysis for food security and macroeconomic stability	7/11	7/15	International Food Policy Research Institute	20,800,000
Balochistan Agriculture Project	Helps improve livelihoods and food security	1/09	12/15	United Nations (UN) Food and Agriculture Organization	15,400,000
Dairy Project	Improves milk production and increases sales	7/11	7/14	Dairy and Rural Development Foundation	6,926,744
Entrepreneurs Project	Supports women's microenterprises in vulnerable areas	6/09	6/14	Mennonite Economic Development Associates	22,006,212
Firms Project	Assists small and medium-size enterprises in areas vulnerable to conflict to help them become internationally competitive	5/09	4/13	Chemonics	72,257,148
Gomal Zam Irrigation Project	Provides flood control and irrigation water to 191,000 acres to increase agricultural output	10/11	9/13	WAPDA	73,151,000
Grain Storage Project	Provides technical expertise to support the establishment of public-private partnerships for managing, handling, and storing strategic grain reserves	4/11	6/13	International Finance Corporation	2,500,000
Satpara Irrigation Project	Provides flood control and irrigation water to 15,500 acres to increase agricultural output	3/12	3/17	Aga Khan Foundation	10,928,595

Name	Description	Start Date	End Date	Implementing Partner	Funding (\$)
Trade Project	Improves customs procedures and the Pakistani Commercial Service to increase exports and trade at the Afghan border	6/09	6/13	Deloitte	31,820,577
Transfer to DOC	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
Transfer to USDA	Improves production and increases sales of commodities, enhances government research and extension work, and helps eradicate agricultural diseases	2009	Reviewed annually	USDA	50,000,000
Transfer to USTDA	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 December 31, 2012, USAID reported that 802,662 rural households had benefited directly from U.S. Government assistance. USAID also reported the following developments and achievements in its portfolio of economic growth and agricultural programs:

- As a result of Agribusiness Project efforts, farmers are now applying quality-enhancing production and processing techniques on 420 acres of land, thereby increasing their opportunities to export. In addition, USAID has approved 340 project subgrants to help small agribusinesses to develop

capacity—for example, to preserve milk and to dry fruits and vegetables. Approximately 80 percent of these subgrants have been awarded to agribusinesses initiated by women. During the quarter, the project installed 20 greenhouse tunnels for off-season tomato and cucumber projects in rural areas near Islamabad, and hosted a training and demonstration event for representatives of farm service centers on irrigation techniques and off-season vegetable production.

- The Agriculture Policy Project received 220 proposals for a second round of competitive grants and is evaluating those that are eligible. The project completed fieldwork for the next round of its rural household survey in mid-November. This next round of surveys will focus on water management, agricultural production challenges, and adaptation to climate change. In mid-December, the project sponsored a conference in cooperation with Pakistan’s Planning Commission at which international and local scholars presented research on rural poverty, development strategies, agricultural taxation, and electricity and wheat subsidies.
- The Balochistan Agriculture Project provided 118 metric tons of wheat seed to farmers on a 50 percent cost-sharing basis, demonstrated drill-sowing techniques to farmers in five communities on 36 acres, provided 2,000 kilograms of animal feed to farmers, leveled 395 acres of land, and rehabilitated three underground irrigation systems. The project also established a pipeline system and a water reservoir.
- During the quarter, the Dairy Project trained 1,077 farmers in farm and livestock management, 79 technicians in artificial insemination, and 228 female extension workers in livestock management and milk-marketing techniques. Farmers who have received assistance under the project have reported a 10 percent increase in milk production and an average increase of \$37 in monthly income.
- The Entrepreneurs Project trained 8,885 producers in improved production practices during the quarter, bringing the total number of microenterprise owners assisted by this project to 40,214, 85 percent of whom are women. During the quarter, the project signed a memorandum of cooperation with Pakistan’s leading microfinance institution, Khushhali Bank Limited, to give project beneficiaries access to sustainable access to finance. This access is critical to helping microenterprise owners grow their businesses and improve their capacity to meet market demands. The project also carried out a rapid assessment survey in the village of Kooch in the Swat District of Khyber Pakhtunkhwa to measure the effectiveness of interventions in the medicinal and aromatic plant value chain. The survey found that average net sales increased by 107 percent per beneficiary because of quality, quantity, and pricing improvements to their businesses.
- The Firms Project continues to provide support to more than 2,500 small and medium-size enterprises in 11 sectors of the economy by improving access to technology, markets, and finance, and by developing business skills. During the quarter, the project helped ship samples of dried mango products, including dried mango slices, mango leather, and mango candy, from Punjab to the United States and Europe. Meanwhile, the project completed an analysis of the national policy, legal,

and regulatory environment for small to medium-size enterprises, and an institutional assessment of Pakistan's Small and Medium Enterprises Development Authority.

- Work by WAPDA on the Gomal Zam Irrigation Project continued, but the pace slowed during the quarter because of delays in WAPDA's payments to the project contractor. WAPDA completed work on flood protection works and had finished 58 percent of planned drainage works. By the end of the calendar year, 60 percent of overall project work had been completed.
- The Grain Storage Project opened bids for work in Punjab Province to prequalified bidders during the reporting period. Because two of three prequalified bidders for work in Sindh Province withdrew their bids, the project is reducing the scope of activities in the province and plans to reopen bids in early 2013.
- The Satpara Irrigation Project is developing farm irrigation infrastructure that will meet commercial standards for the horticultural and dairy industries on 15,500 acres of farmland. Because of harsh winter weather, physical infrastructure work on the project could not proceed during the quarter. Nonetheless, activities progressed: the project solicited and evaluated proposals to prepare a master plan for on-farm irrigation systems. In addition, the project formed 25 water users' associations, initiated a baseline survey, and conducted value chain analyses in the fruit and vegetable sector.
- During the quarter, the Trade Project began assessing the capabilities and training needs of Pakistan's National Tariff Commission as part of the effort to strengthen its capacity to administer trade defense laws that comply with World Trade Organization rules. At the request of Pakistan's Ministry of Commerce, the project is also expanding research on Pakistan-India trade liberalization. It is assessing the potential for trade within industries and services as well as the impact of the recent revisions to India's investment policy.

USAID reported that security conditions and delayed visas posed challenges in implementing economic growth and agricultural programs. In late March, a Balochistan Agriculture Project vehicle was attacked; two people associated with the project were killed, and a third was injured. In mid-August, eight workers on the Gomal Zam Dam were kidnapped, and one was subsequently killed. Additionally, the USAID mission noted that obtaining long-term visas for expatriate implementers has been difficult.

USDA. USDA continues to manage agricultural capacity building and development programs with funding from USAID. These programs are designed to increase agricultural productivity and improve opportunities for international trade through technical exchanges, agricultural research, and control of plant and animal diseases. USDA programs are implemented through international organizations and U.S. land grant universities that work with Pakistani Government agencies, universities, and institutions, and agricultural research groups to implement program activities. USDA also continues to work with provincial government authorities and engage with the new Ministry of National Food Security and Research.

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

- Pakistani scientists are working with international counterparts under the Wheat Productivity Enhancement Project to reduce the effects of stem rust on Pakistan’s wheat harvests. Participating scientists in Pakistan identified barberry—a host for wheat stem rust—in multiple regions of Pakistan. They worked with the International Maize and Wheat Improvement Center and USDA’s Agricultural Research Service to collect and evaluate wheat stem rust samples, identify pathogen strains, and analyze wheat genes for disease resistance. In a related effort, USDA-funded construction work at the Cereal Disease Research Program facility in Murree, Pakistan, proceeded on schedule and was about 90 percent complete by the end of the quarter.

Scientists at Pakistan’s National Agricultural Research Centre collected and analyzed foot and mouth disease samples under the Research Capacity Building for Foot-and-Mouth Disease Control Project. In December, a research fellow from USDA’s Agricultural Research Service travelled to Pakistan to assist the scientists with sample analysis and with establish a process for entering results into a global system for sharing this information. Meanwhile, the project provided support for studies to determine how effectively different vaccines combat local strains of foot-and-mouth disease. The project’s chief of party presented observations on the status the disease and control efforts in Pakistan at the UN Food and Agriculture Organization’s worldwide foot-and-mouth disease consortium meeting in Rome.

At the National Veterinary Laboratories, USDA sponsored refresher training for provincial veterinarians on testing for foot-and-mouth disease through enzyme-linked immunosorbent assay and provided participants with diagnostic kits. The project also conducted 7 training sessions on diagnosis and surveillance techniques and 14 workshops for farmers at different locations around the country.

- USDA’s feeding trial for tilapia farming concluded. A USDA-sponsored collaboration between Pakistan’s Fisheries Development Board and the American Soybean Association, the feeding trial was carried out at seven pilot sites in Punjab and Sindh Provinces. The pilot sites produced three times more fish per unit area than did fish-farming sites in Pakistan that employ traditional farming and feeding methods.
- During the quarter, USDA also sponsored several international training opportunities for Pakistani scientists:
 - Eight Borlaug Fellows completed their fellowships in Kenya with International Maize and Wheat Improvement Center pathologists to evaluate Pakistani wheat varieties for disease resistance.⁵

⁵ USDA selects Borlaug Fellows from among entry-level and mid-career agricultural researchers and policy makers in developing and middle-income countries. Borlaug Fellows receive up to 12 weeks of U.S.-based training a year.

- Three Pakistani fellowship recipients continued training on molecular and genomic analysis of the cotton leaf curl virus and resistance to it among cotton varieties at USDA's Agricultural Research Service, Texas A&M University, and the University of Arizona.
- Under the Watershed Rehabilitation Program, demonstrations of irrigation system construction, rainwater harvesting dams, and water and soil conservation devices continued at 30 demonstration sites with six Pakistani agricultural institutions.

USTDA. USTDA activities improve infrastructure in energy, transportation, and information technology and link Pakistani partners 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 in terms of 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.⁶

USTDA reported that its private-sector Pakistani partner Warid Telecom and U.S. contractor NFB Consulting began work on a USTDA-funded feasibility study and pilot project on back-up power conversion to methanol fuel cells. This project will determine the economic and operational feasibility of using methanol-based fuel cells and sodium-metal halide batteries to reduce Warid Telecom's energy consumption and improve the reliability of its network.

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. DOS's Bureau of International Narcotics and Law Enforcement Affairs (INL) and the U.S. Embassy's Political Section (POL) and Regional Security Office (RSO) support assistance programs in this category, as do USAID and USIP.

⁶ 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.

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 to reduce 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, Pakistani police, and other civilian law enforcement agencies.

INL reported the following recent program developments:

- *Aviation Program.* INL's Air Wing continued to provide air support to Ministry of Interior agencies, including the Pakistani police, Khyber Pakhtunkhwa and Balochistan Frontier Corps, and Punjab and Sindh Rangers, as well as several other agencies. The Air Wing provided aerial coverage for police oversight during the peak celebratory days of the holy month of Muharram and flew a total of 658 hours during the quarter.
- *Corrections Program.* A second group of Khyber Pakhtunkhwa provincial government officials attended classes at the International Corrections Management Training Center in Colorado. The center provides instruction on international standards and best practices in prison administration, including basic security procedures, external threat management, emergency response, prisoner classification, logistics, and crowd control. In total, 16 Pakistani officials have benefitted from the center's training. In addition, the UN Office on Drugs and Crime (UNODC) completed the INL-funded drafting of Pakistan's new prison rules, which UNODC then distributed to senior provincial prison officials for review.
- *Counternarcotics Program.* Pakistan's Anti-Narcotics Force maintained the amount of heroin it seized despite inconsistent collaboration with the U.S. Drug Enforcement Agency and delays in INL financial support triggered by the program manager's delayed arrival in-country. Meanwhile, the Embassy's counternarcotics officer began discussions with Pakistan's Customs and Maritime Security Agency on possible U.S. assistance with tracking and intercepting small fishing vessels trafficking drugs along the Makran Coast.

On the demand reduction front, the Colombo Plan⁷ certified 13 master trainers during the first phase of its INL-funded train-the-trainer program on the treatment of drug addiction. The Colombo Plan program will eventually train 120 drug treatment specialists to help serve Pakistan's 5 million drug users, while UNODC, which finished administering its INL-funded nationwide survey of drug users, will provide reliable information on the number of addicts in Pakistan, the drugs they use, and the demographic groups they represent.

- *Crop Control and Area Development Project, Border Security, and Infrastructure Program.* During the reporting period, construction proceeded on a number of facilities to enhance border security. The

⁷ The Colombo Plan is a regional intergovernmental organization that promotes economic and social development in Asia and the Pacific through technical cooperation and information sharing.

program completed work on three Frontier Corps border posts in Chitral District in Khyber Pakhtunkhwa and one in FATA's Khyber Agency. The program also completed 6 kilometers of road in the poppy-growing areas of Khyber Agency and in the Tor Ghar and Kohistan Districts of Khyber Pakhtunkhwa. Major projects at the Spina Thana Operations Center and the Joint Police Training Center in Nowshera are on schedule and work on the Javed Iqbal Police Lines (headquarters and barracks) in Mingora, Swat, is expected to conclude before the July 2013 deadline. In addition to these projects, INL discussed plans to fund the construction of a second phase of the Joint Police Training Center and Police Lines in Daggar, Buner.

Following several contracting and procurement delays, construction work on the Peshawar Southern Ring Road is back on track. Work on the Ring Road is 40 percent complete and is expected to end in September 2013. Work to widen the 14 Ring Road bridges has started, and construction of 42 kilometers of the Kanju-Madyan Road in Swat is scheduled for completion in April 2013.

- *Police Assistance Program.* INL seeks to build momentum for law enforcement reforms by providing training and equipment to law enforcement agencies throughout Pakistan. During the reporting period, the program delivered an instructor development class for 30 Pakistani police academy instructors in partnership with the Department of Justice's International Criminal Investigative Training Assistance Program (ICITAP). The first component of a larger instructor development program developed for authorities in Sindh Province, the class received attention from the highest levels of the Pakistani Government and positive media coverage. INL anticipates that 300 instructors will eventually graduate from the program.

During the reporting period, INL provided \$9.0 million in equipment to Pakistani law enforcement authorities. In total, INL delivered 142 pick-up trucks, 17 armored personnel carriers, and 4 police vans, as well as communications equipment, personal protective equipment, and crime scene cameras to authorities in Balochistan, Sindh, and Khyber Pakhtunkhwa. Several deliveries during the period were designed to improve the standing of Sindh's women's police service.

INL-supplied commodities and equipment have helped Pakistani authorities increase security patrols, reduce emergency response times, and reduce risks to officers during dangerous operations.

- *ICITAP Training Program.* During the reporting period, ICITAP organized an exchange for 11 senior Pakistani police officers that included attendance at the International Chiefs of Police Conference in San Diego, California. ICITAP also provided forensics instruction to 18 antiterrorism court judges from across the country and finished training the first group of Islamabad Police to become firearms simulator instructors. During the calendar year, ICITAP trained 294 Pakistani police officers.

Visa delays continued to slow INL assistance efforts in Pakistan. Air support activities were reduced after six helicopters were placed in storage in early November because of delays obtaining visas for Air Wing support contractors and INL advisory personnel. Meanwhile, the Rule of Law Program was

unable to hold any training events during the quarter; the new program coordinator has not been able to obtain a visa since July 2012.

Security conditions have also complicated INL program implementation. Some INL personnel have been withdrawn from Peshawar, and others are working limited, intermittent office hours because of security concerns. Travel on the part of program staff in FATA and Khyber Pakhtunkhwa is restricted, and access to program sites is limited.

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 strategic trade and border control systems. In Pakistan, EXBS assists the government in stemming the proliferation of weapons of mass destruction and their delivery systems and preventing 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. Building on these successes, EXBS aims to develop and expand the capacity of Pakistani law enforcement agencies to counter the proliferation of weapons of mass destruction and related materials.

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 maintaining its focus 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 equips Pakistani law enforcement personnel to detect, deter, and respond to terrorist threats. It 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 focus in Pakistan is on building law enforcement capacity to secure land borders and

encourage greater cooperation between police and prosecutors, particularly in terrorism-related investigations.

DOS reported that Pakistani officers are enthusiastic about receiving ATA courses and equipment, learning counterterrorism skills, and using those skills in their daily work. Officers trained by ATA in explosive detection have used their training effectively in high-threat assignments. In a recent case, members of an ATA-trained bomb squad in Karachi saved lives when they spotted a secondary explosive device while responding to an explosion. ATA assistance has also enabled authorities to expand institutional capacity to respond to threats. Railway Police in Rawalpindi, for example, established a bomb unit using equipment and training that ATA provided.

Notwithstanding these successes, DOS reported that difficulties obtaining visas for instructors continued to hinder program implementation. Although as many as 38 instructor visa applications were sent to the Pakistani Embassy for approval during the reporting period, no ATA instructors received visas to travel to Pakistan in time to provide instruction as planned. As a result, 14 scheduled courses were postponed, and none were delivered.

The program is working to resolve difficulties in obtaining instructor visas. The American Embassy in Islamabad had numerous meetings with officials in the Pakistan Ministry of Interior and Ministry of Foreign Affairs about delayed visas, and ATA representatives in Washington have met with Pakistani officials at the Pakistani Embassy on the matter. On December 21, 2012, ATA received four instructor passports with visas.

USAID. USAID had 13 stabilization programs and 2 related monitoring activities under way at the end of 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 December 31, 2012 (Unaudited)

Name	Description	Start Date	End Date	Implementing Partner	Funding (\$)
Benazir Income Support Program (BISP)*	Provides cash assistance to needy families	6/09	6/10	BISP, Government of Pakistan	160,000,000
Citizens' Damage Compensation Fund*	Provides cash assistance to flood-affected households	6/11	6/12	National Database and Registration Authority, Government of Pakistan	190,000,000

Name	Description	Start Date	End Date	Implementing Partner	Funding (\$)
Conflict Victims Support Project	Provides medical, psycho-social, and livelihoods support to Pakistanis directly affected by violence in FATA and Khyber Pakhtunkhwa	4/12	4/15	International Relief and Development	20,245,806
FATA Child Health Project	Provides equipment and mobile health units, reconstructs facilities, and trains health-care providers	9/06	1/13	***	26,150,000
FATA / Khyber Pakhtunkhwa Health Program	Improves access to community-based integrated family planning and maternal and child health services	9/12	9/17	***	5,000,000
FATA Infrastructure Program	Improves roads; water infrastructure; and electricity generation, distribution, and transmission	12/09	12/14	FATA Secretariat	278,686,537
FATA Institutional Strengthening Project	Increases the Secretariat's capacity in participatory planning, management, and oversight of stabilization and development activities	8/11	9/16	***	9,998,085
Khyber Pakhtunkhwa, FATA, and Balochistan Multi-Donor Trust Fund[†]	Provides grants for the restoration of damaged infrastructure and disrupted services, improvement of government services, and maintenance of community livelihoods	7/10	12/15	World Bank	25,000,000

Name	Description	Start Date	End Date	Implementing Partner	Funding (\$)
Khyber Pakhtunkhwa Reconstruction Program	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	Government of Khyber Pakhtunkhwa's Provincial Reconstruction, Rehabilitation and Settlement Authority (PaRRSA)	105,383,047
Malakand and FATA Housing Support Program*	Provides housing damage assistance through a cash transfer	6/10	9/12	PaRRSA	65,000,000
Monitoring and Evaluation – FATA	Supports monitoring and verification of USAID investments in road and electricity infrastructure	12/09	12/14	***	5,786,536
Monitoring and Evaluation – Malakand	Supports monitoring and verification of USAID investments in small-scale infrastructure	4/10	12/14	***	5,760,000
Pakistan Transition Initiative	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
Peshawar-Torkham Road	Funds the reconstruction of the Peshawar-Torkham Highway in Khyber Pakhtunkhwa	9/12	9/14	***	70,000,000
Radio Transmitters in FATA and Khyber Pakhtunkhwa Project	Provides radio transmitters	6/10	4/13	***	8,656,471

Source: USAID/Pakistan.

Note: A triple asterisk (***) indicates the name of a USAID implementing partner 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 December 31, 2012, USAID reported that 574 kilometers of road had been constructed or repaired with U.S. Government assistance. USAID also reported the following program developments in its stabilization portfolio for the quarter:

- The Child Protection Program, which focused on communities that have been the subject of conflict and violence, concluded at the end of the reporting period. Major program accomplishments include:
 - Establishing 30 child protection centers that provide shelter, education, counseling, and life skills services to children. These centers registered 122,894 children and 4,910 women and provided vocational skills training skills to 5,065 adolescents and 1,521 women in partnership with social welfare departments.
 - Providing cash assistance to 8,567 families with 29,064 vulnerable children through a benefit transfer system that employed biometric smart cards.
 - Helping increase official registration through the National Database and Registration Authority. Database registrations grew to 123,107 children under the program.
 - Establishing a child protection case management system to help monitor child protection cases and assess the needs of vulnerable children and women. The system contains information on 27,987 children and 2,446 women.
 - Engaging community protection units in registering and monitoring orphaned children and children living in residential care facilities. Under the program, 2,176 orphaned children and 525 children in residential care facilities were registered for educational and health assistance and life skill services.
 - Registering 152 children associated with militant groups for rehabilitation and social reintegration services, and reintegrating 68 others into their families and communities. Of these children, 52 enrolled in local schools and colleges, 18 were placed in advanced vocational courses, and 34 completed job skills courses.
 - Improving protective services for children without parental care—including orphans, and abandoned and abused children—by strengthening community-based care and building Social Welfare Department and Child Welfare and Protection Commission capacity.
 - Forming child protection committees and community-based organizations in each district in which the program operated to help sustain program accomplishments. Child protection

committees have mobilized 180 volunteers to work in their communities and support nearby child protection centers.

- The Conflict Victims Support Project is designed to assist approximately 4,500 families affected by conflict-related violence in FATA and Khyber Pakhtunkhwa. Project agreements have been signed with the FATA Secretariat and the Planning and Development Department of the Government of Khyber Pakhtunkhwa, and the project has established five community advisory committees to promote local ownership of project activities and engage the community in verifying beneficiary eligibility. The project is in the process of developing a comprehensive database of conflict victims in the region and has already provided economic and medical assistance to identified victims as part of its pilot phase, which began in August 2012.
- The FATA Child Health Project, which was launched in cooperation with the FATA Health Directorate in December 2006, was scheduled to end in January 2013. The project worked to increase the use of key health services and instill behaviors that support the health and development of children. In total, the project has completed construction work on 13 health facilities. During the quarter, the project reached:
 - 74,669 mothers and children through 656 Health Immunization and Nutrition Days.
 - 20,988 people through 195 mobile health unit visits.
 - 17,126 women through 1,482 awareness sessions conducted by female health workers.
 - 5,260 students through 53 sessions at schools on health issues.
 - 19,099 men through 1,704 sessions in all FATA agencies to sensitize them to health issues.
 - 32 traditional birth attendants through training on sanitary delivery practices.
 - 22 health-care providers through training on integrated management of neonatal and childhood illness.
 - 111 female health workers through nine training sessions on integrated community management of neonatal and childhood illness.
- On September 30, 2012, USAID awarded its new FATA / Khyber Pakhtunkhwa Health Program, which is expected to begin when the current FATA Child Health Project ends. A memorandum of understanding between the project implementer and local authorities was in process, and the official program launch in coordination with the Government of Pakistan was scheduled for January 2013.
- To date, the FATA Infrastructure Program has completed work on 280 kilometers of road.

- The FATA Institutional Strengthening Project reported several accomplishments:
 - Draft local government regulations for FATA developed under the project were presented to the President of Pakistan following their approval by the FATA Secretariat, FATA parliamentarians, the Governor of Khyber Pakhtunkhwa, and the Ministry of States and Frontier Regions.
 - The project began installing a file tracking system for the Secretariat and started implementing automated project design and planning software.
 - Project staff began developing performance indicators for the Secretariat in line with the recently approved monitoring framework.
 - FATA Secretariat procedures for selecting beneficiaries of income supplements funded through religious taxes (zakat) were finalized with project assistance, and training on their implementation began.
 - The FATA Secretariat approved the information technology policy developed under the project, and project staff worked on an action plan for implementing it.
- 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 made additional disbursements in Bajaur Agency and initiated a survey in FATA's Mohmand Agency to determine whether standard operating procedures for determining beneficiary eligibility were followed. However, claim verification efforts in Bajaur and Mohmand agencies were constrained by security conditions and military operations.
- The Khyber Pakhtunkhwa Reconstruction Program continued to support reconstruction and recovery efforts in districts affected by conflict and flooding. During the quarter, USAID signed an implementation letter with PaRRSA for health activities and was in the process of signing an implementation letter for work on an integrated government complex in Kabbal. Meanwhile, rehabilitation and reconstruction of the Amandara and Munda Headworks, health facilities, and the Khwazakhela Bridge progressed, with the former nearing completion. In addition, the program completed construction of 30 schools.
- The Pakistan Transition Initiative collaborated with the National Geographic Society to organize a photo camp for 16 youths from FATA who aspire to be photojournalists. The camp was designed to enhance participants' professional photography skills to enable them to better tell their stories through images. An exhibition of their work was held in Islamabad in October, and another is planned in Washington, D.C., next spring. In addition, the Pakistan Transition Initiative expanded its presence to Karachi and southern Punjab as part of the Pakistan Expanded Regional Stabilization Initiative, an interagency effort to counter violent extremism in select districts of Pakistan.

- USAID-funded construction activity on the Peshawar-Torkham Road (a section of National Highway N-5) began during the reporting period.
- The Peshawar City Court lifted a stay blocking access to the Peshawar site for the Radio Transmitters Project. Radio transmitters, control rooms, and equipment containers at the site were unsealed in early November 2012, and work resumed on the tower foundation, anchor block reconstruction, site clearing, and installation of ground station equipment. Equipment for work on the Dera Ismail Khan site was expected to arrive in mid-January 2013. Expatriate personnel working on the project received the required visas and travel permits during the reporting period.

However, USAID also reported continuing challenges to the Radio Transmitters Project. The original U.S. subcontractor for both radio transmitter sites filed a lawsuit in Pakistan seeking an injunction on all project site work. The subcontractor claims that it was unfairly terminated by the contractor because of an inaccurate engineering assessment that held it responsible for the earlier collapse of the Peshawar tower. A separate lawsuit filed by an organization working for the subcontractor is still in court. Meanwhile, USAID is working with the contractor to ensure that work progresses as quickly as possible.

USIP. USIP supports stabilization in Pakistan by promoting religious tolerance and peaceful interfaith dialogue while countering extremist messages. USIP is working to accomplish these objectives through a 2½-year program with three components: (1) a grant program 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.

In November, USIP extended support to another initiative under its grant program. USIP is funding a school certification program for incorporating skills for compassion into curricula and school policy and produce a supplementary curriculum, educator training program, and online resource. The implementer's plans call for initial implementation at ten pilot schools with subsequent expansion to 100 others in Karachi.

Other grantees continued to make progress implementing their USIP-funded projects. One implementer produced and aired 20 live interactive radio shows with youth, women, political leaders, and local elders each month during the reporting period, while another held a 3-day consultative workshop at a police academy on ways to build peace and interfaith harmony. Meanwhile, master trainers from FATA and Khyber Pakhtunkhwa participated in interactive sessions on peace education, conflict resolution, social cohesion, and interfaith harmony under a USIP-sponsored teacher training program.

One USIP grant project concluded at the end of the reporting period. The Step By Step Project broadcasted radio programming to promote girls' education and peace. Community reporters engaged in the project designed a strategy to remain active in these areas after the project concludes and project staff published a directory for them.

Meanwhile, USIP's program on countering extremist voices through the media completed two phases of work. Project staff wrapped up meetings with local media organizations at which they gathered information on the pressures journalists face in reporting on violence. Staff members also concluded their analysis of an audience survey of attitudes toward reporting on violence.

During the quarter, USIP-supported policy research efforts yielded a report on the roots of the violence that has claimed more than 7,000 lives in Karachi in recent years. The report discusses past responses to bloodshed in Pakistan's largest city and recommends actions to stem violence.⁸

Education

Pakistan's education system faces serious challenges. According to the UN Educational, Scientific, and Cultural Organization's 2012 *Education for All Global Monitoring Report*, Pakistan ranks 113 out of 120 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 inequitable results on education indicators in South Asia.

Less than three-quarters of school-age children are enrolled in primary school, and Pakistan is host to the world's second largest population of out-of-school children (5.1 million). Children who do attend school encounter teachers who are ill prepared for the job and poorly equipped classrooms. Primary school teachers face classrooms with an average of 40 students, almost twice the world average. Only 45 percent of children complete Grade 5; of those, less than half can read a simple sentence. Forty-five percent of adults in Pakistan are illiterate.

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 fundraising programs for university scholarships, supporting faculty exchanges in applied research in key disciplines, and fostering effective civil society involvement in education. In addition, USAID and the U.S. Embassy's Public Affairs Section (PAS) support programs that promote faculty and student exchanges, U.S. university scholarships, and U.S.-Pakistan university partnerships.

⁸ Huma Yusuf, *Conflict Dynamics in Karachi*, USIP, October 2012.

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 (the Fulbright Commission), in particular, is heavily engaged in the recruitment and selection of participants for academic and professional programs and provides support for program alumni.

From October 1 to December 31, 2012, PAS continued to engage electronically with the 100 Pakistani undergraduate students currently studying in U.S. universities and the 108 high school students participating in a 1-year exchange program in U.S. high schools. Through a grant to Appalachia State University, PAS funded an exchange program that brought 13 fifth graders, 4 teachers, and 2 principals from a school in Taxila, Pakistan, to meet with their peers in North Carolina elementary schools. The group has been collaborating online with several schools over the past 2 years on biology and math projects initiated by a Pakistani Fulbright student studying at Appalachia State University. In addition, PAS began recruitment for a 6-week summer exchange program for undergraduate students on comparative public policy and women's leadership. PAS also participated in a predeparture orientation for the 100 Pakistani undergraduate students who will travel to U.S. universities in the spring for a semester-long nondegree program.

PAS completed cooperative agreements for the last two 2012 university partnership programs, bringing to eight the number of active partnerships between U.S. and Pakistani universities. The two new agreements link the University of North Texas and the National University of Modern Languages, Islamabad, and the University of Kentucky and five universities in Khyber Pakhtunkhwa.⁹ These partnerships will support professional development for faculty, staff and student exchanges, joint research projects, and other activities. PAS plans to continue the university partnership program in FY 2013 to continue promoting long-term, peer-to-peer connections between U.S. and Pakistan universities. PAS is in the process of identifying new Pakistani universities for partnerships and plans to issue at least four requests for proposals in the second quarter of the fiscal year.

An evaluation of 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, began during the reporting period. The contractor responsible for the evaluation conducted focus groups and surveys with program alumni and the 100 students who will participate in the 2013 spring semester.

The United States Educational Foundation in Pakistan hired staff and established a new office for the Pakistani-led alumni association. The foundation plays a key role in PAS's 5-year alumni engagement plan

⁹ The Khyber Pakhtunkhwa partner universities are Abdul Wali Khan University in Mardan, Kohat University of Science and Technology, the University of Peshawar, Bannu University of Science and Technology, and the Institute of Management Sciences in Peshawar.

by supporting a small grants program to fund community service projects planned and executed by exchange program alumni. The first major event for the U.S.-Pakistan Alumni association, a reunion conference for 300 alumni of the undergraduate exchange program, took place this quarter. Participants learned about alumni activities and the resources available to them through the alumni association.

PAS reported that program participants and partners continued to face harassment during this reporting period. According to PAS, domestic security agencies harassed Pakistani citizens participating in PAS exchanges, organizations implementing PAS programs, and those attending PAS-sponsored events. Following a recent site visit by PAS officials to a project in the southern Punjab, domestic security agencies began harassing the implementing partner.

USAID. At the end of the reporting period, USAID had seven 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 professors, and support for reconstruction and renovation of schools. USAID’s 5-year Education Quality and Access Project, which trained primary and middle school teachers and renovated schools damaged through conflict, concluded in October 2012.

Table 6. USAID Education Programs as of December 31, 2012 (Unaudited)

Name	Description	Start Date	End Date	Implementing Partner	Funding (\$)
Earthquake-Damaged Schools Reconstruction Program	Reconstructs earthquake-damaged schools	10/06	4/13	CDM Constructors Inc. (CDM)	147,454,624
Higher Education Commission Support	Provides merit and needs-based scholarships for students to study at Pakistani higher education institutions	3/10	2012	HEC	90,000,000
Merit and Needs-Based Scholarship Program	Provides bachelor’s and master’s degree scholarships	6/04	3/16	HEC	13,223,605
Sindh Basic Education Program	Supports early grade reading, provides technical assistance, and supports reconstruction of schools	9/11	9/16	Sindh Department of Education	113,576,111

Name	Description	Start Date	End Date	Implementing Partner	Funding (\$)
Teacher Education Project	Provides preservice education for teachers	5/11	9/13	Educational Development Center	39,800,000
United States-Pakistan Science and Technology Cooperative Program	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
Women's Hostel Project	Supports construction of a 360-bed women's dormitory at Forman Christian College	7/11	8/14	Forman Christian College	6,000,000
Transfer to PAS – Fulbright Scholar Program	Provides scholarships to Pakistani graduate students to study at U.S. universities	9/04	Reviewed annually	PAS and United States Educational Foundation in Pakistan	171,000,000

Source: USAID/Pakistan.

As of December 31, 2012, USAID reported that U.S. Government-supported education programs had strengthened the skills of 6,054 educators since October 2010. USAID also reported the following education project developments this quarter:

- USAID worked with the Sindh Department of Education to begin mapping schools in seven target districts in Sindh and five target towns in Karachi for school consolidation and construction under the Sindh Basic Education Program.
- The Teacher Education Project continued to emphasize capacity development and training by working in tandem with HEC, provincial education departments, and partner colleges and universities to deliver and expand programs culminating in a 2-year associate's degree in education and a 4-year bachelor of education honors degree. During the reporting period, the project organized 49 training workshops, helped 4 universities develop strategic plans, and helped 38 teacher training colleges prepare plans to improve existing infrastructure and build capacity. These plans will serve as the basis for needs-based grants under the program. In addition, the project awarded 278 scholarships for 2-year and 4-year degree programs throughout the country.
- USAID is in the process of building 16 state-of-the-art schools of education at Pakistani universities. USAID funds the design of the buildings in line with the specifications developed by participating

universities in consultation with the Teacher Education Project. Construction continued on one facility while contractors were being selected for three other building projects, and a request for proposals was issued for the design and construction of ten more schools of education.

- With support from the Merit and Needs-Based Scholarship Program, HEC developed formal plans for the next round of scholarships for admission into the fall 2013 class. These scholarships will be awarded in more disciplines than in the past to improve the employability of graduates and gender parity.
- The National Academy of Sciences received more than 300 proposals for the fifth cycle of grants under the United States-Pakistan Science and Technology Cooperative Program. The program sought proposals on technology transfer; entrepreneurship; innovations in education, health, nutrition, water and sanitation, agriculture, democracy and governance, environment, energy, the social sciences, and economic development; and the commercialization of these innovations. The program also prepared for Pakistan's first national symposium on technology transfer for economic development slated for January 14-15, 2013. More than 200 participants were expected to attend the event.

USAID also reported some challenges to the implementation and administration of its education projects this quarter. USAID's cooperative agreement with the implementer for the reading component of the Sindh Basic Education Program was terminated in December 2012 by mutual agreement. The implementer could not reduce financial management risks and had problems with its subgrantee. The mission is revising the program description for the reading component of the program and planned to release its solicitation for a new partner in February 2013.

In addition, USAID noted that struggles between one of the Agency's implementers and other elements of the Pakistani Government pose a possible challenge to USAID's higher education programs. HEC is an autonomous agency of the Government of Pakistan, established in 2002 by an act of Parliament to oversee the country's universities. However, the commission's autonomy was at issue in two cases pending before Pakistan's highest court during the quarter. These struggles did not slow the implementation of USAID programs during the reporting period, but changes to the commission's standing could affect them in the future.

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, according to USAID, 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 federal and provincial leadership 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. More than three in ten children in Pakistan are underweight. 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, public and private sector service delivery, and the establishment of public-private partnerships.

USAID. USAID had seven 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, as well as on renovating and reconstructing facilities. USAID works to strengthen health systems through policy reform, technical assistance, 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 December 31, 2012 (Unaudited)

Name	Description	Start Date	End Date	Implementing Partner	Funding (\$)
Demographic and Health Survey	Supports a survey to collect data on national health indicators	1/11	12/15	Macro International Inc.	3,700,000
Health Care Management Project	Assists with the devolution of public health responsibilities from federal to provincial ministries	1/11	1/13	John Snow Inc.	3,000,000
Health Services Academy Support Project	Develops institutional capacity in public health training and research	7/08	3/13	Health Services Academy	7,247,527

Name	Description	Start Date	End Date	Implementing Partner	Funding (\$)
Jacobabad Civil Hospital Project	Hospital renovation	10/10	10/13	CDM	11,049,000
Jinnah Post-Graduate Medical Center Project	Reconstruction of an extension to the obstetrics and gynecology/fistula ward	10/10	10/13	CDM	5,629,069
Maternal and Child Health Program	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	208,044,068
Polio Vaccination Program	Provides support for national polio eradication efforts through national campaigns, disease surveillance, and communications	1/03	Reviewed annually	UN Children's Fund (UNICEF) and the World Health Organization	24,370,271
Transfer to the Centers for Disease Control and Prevention (CDC) – Field Epidemiology and Laboratory Training Program	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 December 31, 2012, USAID reported that ten polio immunization campaigns had been completed with U.S. Government support since the start of FY 2012. USAID also reported the following health program developments this quarter:

- The Government of Pakistan formally approved an emergency polio eradication plan for 2012 to 2015 during the reporting period. The \$302 million effort has received financial support from the Islamic Development Bank, the World Bank, Japan's International Cooperation Agency, and USAID, as well as from the Government of Pakistan's Public Sector Development Program.

- With technical and operational assistance from USAID implementing partners, the Pakistani Government conducted a national polio immunization campaign at the end of October 2012 in 163 districts, agencies, and towns. In total, 32 million children were vaccinated during the campaign. An additional campaign to vaccinate 20 million children in 60 districts, agencies, and towns took place December 17-19. These intensified polio immunization efforts may have contributed to a reduction in cases of the disease, as the number of new cases in Pakistan dropped from 198 in 2011 to 58 in 2012.
- The transfer of cold chain equipment to the Punjab Health Department under the Health Care Management Project to help ensure the quality of routine childhood immunization services was completed during the quarter. Besides diagnostic equipment, the project provided annual supplies to the National AIDS Control Program and began assessing supply needs for next year. The project also provided the National Tuberculosis Control Program with microscopes and laboratory equipment during the reporting period and made arrangements to provide the first batch of medicines for multidrug-resistant tuberculosis in mid-February 2013.
- The 60-bed fistula and obstetrics and gynecology ward at the Jinnah Postgraduate Medical Center in Karachi was completed and handed over to the Government of Sindh. U.S. Ambassador Olson inaugurated the center in a ribbon-cutting ceremony on December 11, 2012. The new ward will provide surgery and treatment for fistula and other complications and serve as a training institute for up to 150 undergraduate and postgraduate medical students.
- The Government of Sindh approved plans for Jacobabad Hospital operations and management activities in November 2012 and worked with USAID on a memorandum of understanding outlining project-related roles and responsibilities during the reporting period. The architecture and engineering firm managing the project was expected to select a contractor for hospital construction in January 2013, with construction slated to begin later that month.
- Several components of the Maternal and Child Health Program made headway during the quarter:
 - USAID completed its preaward assessment for the family planning component of the program, which will cover 15 districts in Sindh and Punjab Provinces during its first year of operation. The implementer mapped health facilities and service providers in the service area, set up regional offices, and began recruiting field teams.
 - The procurement process for the maternal and newborn child health services component of the program moved forward during the quarter, and the mission worked toward the award of a 5-year cooperative agreement in January 2013.
 - The health commodities component of the program completed provincial, regional, and private sector consultations for the FY 2013 contraceptive commodity forecasting and procurement

effort. In addition, the program helped design and develop a 3-credit-hour certificate course on supply chain management for the Health Services Academy.

USAID reported major challenges to polio eradication efforts. In late December 2012, nine health workers were targeted and killed because of their involvement with polio vaccination drives. As a result of these attacks, polio vaccination drives were halted in Sindh Province, Khyber Pakhtunkhwa, and Islamabad. This halt to vaccination work came at a critical time for polio eradication efforts. Cold temperatures from January to April make it more difficult for the polio virus to survive, and present an opportunity for vaccination campaigns to achieve a polio-free Pakistan. USAID planned to support eight vaccination campaigns in FY 2013, but security risks may limit the scope of these efforts and, in turn, increase the likelihood that Pakistan will continue to see polio cases in 2014. In light of the recent attacks, the national polio program has increased security by taking steps such as assigning police to accompany vaccinators on their rounds.

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. DOS’s Bureau of Democracy, Human Rights, and Labor (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 December 31, 2012 (Unaudited)

Name	Description	Start Date	End Date	Implementing Partner	Funding (\$)
Balochistan Initiative	Supports human rights initiatives in Balochistan through small grants	10/11	9/13	Consulate Karachi	500,000
Documenting Human Rights Abuses	Monitors, documents, and analyzes reports of human rights abuses by security forces	9/12	3/15	International Commission of Jurists	1,300,000

Name	Description	Start Date	End Date	Implementing Partner	Funding (\$)
Empowering Home-Based Women Workers	Advocates for the rights of home-based workers, strengthens cooperatives, and builds their capacities	9/11	3/13	International Catholic Migration Commission	484,186
Ensuring the Protection of Human Rights Defenders and Journalists	Increases the capacity, sustainability, and geographic reach of local organizations that protect human rights workers and journalists	9/11	3/13	Freedom House	792,080
Ethnic and Religious Minorities School Curriculum	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*
Promoting Media Transparency on National Security Issues	Increases skills of journalists and civil society groups; works with media outlets to reach broader audiences	9/11	9/13	Internews	1,229,700
Promoting Peaceful Co-Existence	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
Protecting Human Rights While Countering Terrorism	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

Name	Description	Start Date	End Date	Implementing Partner	Funding (\$)
Strengthening Women Parliamentarians for Effective Government	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
Strengthening Worker and Trade Union Rights	Builds organizational and management capacity of trade unions and workers' organizations 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 during the quarter:

- DRL's Empowering Home-Based Women Workers grant program aims to improve home-based workers' access to good work opportunities. Because frequent power cuts in Pakistan had been hampering the work of home-based women workers, DRL's implementing partner purchased and installed generators in all participating cooperatives during the quarter. The generators help these workers increase their productivity and their incomes. During the reporting period, the program implementer also organized provincial consultations in Lahore and completed a month-long media campaign on the rights of home-based women workers featuring radio messages, posters, and theatre performances.
- Radio and print stories developed with grant funding provided under the Promoting Media Transparency on National Security Issues Program were well received during the quarter. A piece about domestic violence in Multan produced by a female grantee was carried by her radio station as the lead story all day and the station ran an additional 1-hour discussion special on the issue. One grantee's story on schools that have been destroyed in Pakistan's tribal areas prompted the country's leading English-language newspaper, *Dawn*, to run an editorial. Another recipient's story about sectarianism received accolades including from the owner of the recipient's radio station. Meanwhile, USAID's implementing partner opened its Quetta office and recruited staff members to manage its activities in Balochistan.

- DRL’s Strengthening Women Parliamentarians for Effective Government Program trained 60 women politicians on topics such as leadership, conflict resolution, advocacy, and effective media messaging. The objective of these trainings was to strengthen women’s participation in their constituencies across Pakistan. Participants were especially interested in learning ways to engage with the media and present themselves as effective leaders. The sessions allowed the parliamentarians to come together across political lines and interact with one another as women leaders.
- Under the Strengthening Worker and Trade Union Rights Project, the implementing partner conducted five 2-day trainings for union leaders and activists from 70 affiliates of the Pakistan Workers Federation and Muttahida Labour Federation. These sessions focused on promoting the financial self-sustainability of local unions and labor federations and highlighted the need for democratic, accountable, and transparent union structures at the local, regional, and national levels that are equipped with appropriate human, technical, and financial resources. The sessions also introduced the concept of city support centers for unions that would allow them to share resources and obtain legal support, training, assistance with organizing, and other essential services. The implementing partner also organized four 1-day training programs for the leaders of city affiliates of the newspaper hawkers’ union, the All Pakistan Akhbar Farosh Federation. The programs focused on helping the leaders understand the role of the federation within the broader labor movement.

DRL also noted that it encountered challenges in its Empowering Home-Based Women Workers Program during the quarter. The program faced delays in registering cooperatives because of personnel changes among district cooperative department officials, but the program did not anticipate further delays. Limited business management capacity has also presented a challenge to program implementation, as cooperative members have required constant support from project staff. DRL was considering additional training in the coming months to address this issue.

DRL cited several additional challenges in implementing its programs in Pakistan: (1) ensuring that programs stay relevant and participants remain engaged as the country prepares for the next national elections; (2) addressing organizational and participant safety when implementing project activities in conflict areas; and (3) adjusting to changes in project timelines in response to security-related instability exemplified by targeted killings, bomb blasts, and sectarian violence.

PAS. As part of the U.S. Embassy’s strategic communication efforts, PAS’s English Language Access Program provides English instruction to more than 4,700 Pakistani students between the ages of 14 and 18. To strengthen the impact and expand the reach of English-language programs, PAS is also focusing on programs to support teachers of English in Pakistan. In November and December, PAS hosted two American English experts who provided training to more than 135 Pakistani English teachers in Bahawalpur, Islamabad, Jamshoro, Lahore, and Mansehra.

USAID. USAID has ten 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 was planning a program to monitor the upcoming national elections.

Table 9. USAID Good Governance, Gender Equity, and Transparency Programs as of December 31, 2012 (Unaudited)

Name	Description	Start Date	End Date	Implementing Partner	Funding (\$)
Anti-Fraud Hotline Project / Anti-Corruption Project	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
Assessment and Strengthening Program	Conducts preaward assessments and develops the capacity of Pakistani organizations to manage assistance funds	10/10	10/15	Rural Support Programmes Network, Lahore University of Management Sciences, and Associates in Development	16,500,000
Citizens' Voice Project	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	14,250,000
Election Support Program	Assesses the current electoral environment	10/12	09/13	National Democratic Institute	1,400,000
Gender Equity Program	Makes small grants to organizations opposing domestic violence and gender discrimination	8/10	8/15	Aurat Foundation	18,618,429
Independent Monitoring and Evaluation Contract	Provides mission-wide support for monitoring, evaluation, and the PakInfo system	6/11	6/16	Management Systems International	22,000,000

Name	Description	Start Date	End Date	Implementing Partner	Funding (\$)
Municipal Services Program, Sindh and Khyber Pakhtunkhwa	Improves delivery of basic municipal services including water in Jacobabad and Peshawar	7/10	7/15	Provincial governments' planning and development departments	116,765,826
Political Parties Development Project	Improves the transparency and accountability of Pakistani political parties to their constituents	7/11	7/13	National Democratic Institute	7,498,790
Public Communications Project	Expands USAID public communications to increase the transparency of USAID efforts	11/11	11/14	Interflow	14,500,000
Small Grants and Ambassador's Fund Program	Makes small awards for community initiatives that support U.S. foreign assistance objectives	8/10	8/15	National Rural Support Programme	21,500,000
Training for Pakistan	Provides short- and long-term training and study tours	9/11	3/13	Institute of International Education	6,561,354
Transfer to PAS – Exchanges / Strategic Communications	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 December 31, 2012, USAID reported that 325 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 made 42 grants valued at \$5.2 million to Pakistani organizations. Grants have addressed themes related to municipal services, legislative governance, water rights, and education and justice sector reforms. Thirty more awards are pending approval or final execution, and 369 additional grant proposals are under review.

- The Gender Equity Program awarded 50 grants under its most recent cycle of awards. With a combined value of approximately \$2.4 million, these grants support a wide array of activities such as strengthening locally operated help lines, providing gender training for court officials, and assisting in the rehabilitation of survivors of gender-based violence. Meanwhile, during the quarter, the program helped sponsor more than 50 events across the country during 16 days of activism against gender-based violence. Among these events was the launch of the program’s animated television series to educate children about gender equality and raise awareness about gender-based violence. The Urdu-language series called “Mein aur Mere Dost” (Me and My Friends) is the first animated cartoon produced in Pakistan using 3-D technology. Designed for children ages 9 to 12, the seven-episode series features a team of middle-school detectives aiding a troubled fellow student who is displaying behavior associated with victims of gender discrimination and violence.
- The Municipal Services Program continued to make progress in Khyber Pakhtunkhwa during the quarter. Contracts for the first quick-start activities, which include drain cleaning work and improvements to water pumping system components, were awarded and work began. Meanwhile, the program awarded a local architectural and engineering company a task order for developing a master plan for Peshawar water and sanitation services. The program also began its assessments for the next set of quick-start activities and for long-term program activities. In addition, the Government of Khyber Pakhtunkhwa approved the establishment of a program-supported urban development think tank for the provincial government.
- The Municipal Services Program also made headway in Sindh Province. The Government of Sindh released funds to establish a project management unit for the program and the unit began operating. Meanwhile, plans took shape for upgrades to and construction of wastewater drains in Jacobabad. Program staff developed cost estimates and detailed designs for this work during the reporting period.
- To date, USAID’s Small Grants Program has made 46 awards for a total of \$10.0 million to fund unique and innovative projects that support core development objectives in Pakistan in energy, economic growth, stabilization, health, education, good governance, gender equity, and public communication. An additional 82 awards totaling \$7.2 million have been executed under the U.S. Ambassador’s Fund Program. Communities have praised these investments, noting that they have responded to some of the most urgent community priorities in domestic energy supply, water and sanitation, basic education, and agriculture.

USAID noted several challenges to program implementation in this area. Some conservative cultural attitudes and practices limit inclusiveness in public decision making, and elements of the government are not always willing to accept citizen input on policy matters. In addition, local NGOs often lack the capacity and experience to perform effective policy advocacy, and increasing militancy and security threats impede project implementation in remote rural areas.

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, 2011, and 2012, while also strengthening crisis planning and implementing risk-reduction methods to decrease the devastation of future floods. The country also hosts some 1.66 million registered Afghan refugees, as well as approximately 1 million unregistered Afghans residing 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 (PRM) 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.

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, nearly 3.8 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 11 NGOs in Pakistan to provide Afghan refugees and host-community members with primary education, maternal and child health care, and 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 December 31, 2012 (Unaudited)

Name	Description	Start Date	End Date	Funding (\$)
Community-Based Comprehensive Health Services and Livelihoods Opportunities for Afghan Refugees and Host Communities in Balochistan Refugee Camps	Provides services to refugees and host-community members in and around three refugee settlements in the Pishin and Quetta Districts of Balochistan	9/12	8/13	919,852

Name	Description	Start Date	End Date	Funding (\$)
Education, Skills, and Protection for Afghan Refugees and Host Communities Program	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	9/12	9/13	367,602
Improving the Income of Vulnerable Women Through Income Generating Activities	Improves the livelihoods of 100 extremely vulnerable women by providing an improved breed of egg-laying hens	8/12	2/13	25,000
Improving Livelihood Opportunities for Afghans and Local Communities by Imparting Skills in Demand Driven Trades	Improves livelihood opportunities for Afghan refugees and local youth through skills training and job placement	9/12	9/13	235,411
Integrated Afghan Refugee Assistance Program	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	9/12	8/13	900,000
Mansehra Health, Vocational Training, and Market Development Program	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	7/12	6/13	592,725
Primary Healthcare, Repatriation, and Gender-Based Violence Support for Afghan Refugees in Khyber Pakhtunkhwa	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	5/12	4/13	900,000

Name	Description	Start Date	End Date	Funding (\$)
Skills Training and Income Generation for Urban Afghan Refugees in Rawalpindi-Islamabad and Peshawar	Provides skills training and job placement services to Afghan refugees in Rawalpindi-Islamabad and Peshawar	7/12	6/13	599,957
Strengthening Community-Based Healthcare Services for Afghan Refugees and Building a Bridge to Better Quality Facility Services Through Capacity Building	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	9/12	9/13	443,567
Strengthening Existing Learning Structures of Marginalized Afghan and Minority Children in Quetta	Provides primary school education to refugee children in urban Quetta and helps assess their nutritional and basic health-care needs	2/12	1/13	192,795
Strengthening Livelihood Systems of Afghan and Pakistani Communities	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	9/12	9/13	312,548

Source: PRM, U.S. Embassy Islamabad.

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

During the quarter, PRM concluded its Transition Support Programming for Afghan Refugees in Pakistan project. The project provided primary and reproductive health care services to 29,000 Afghan refugees and Pakistani host community members in Khyber Pakhtunkhwa's Haripur District, and basic education to 15,000 Afghan children in eight refugee villages in Balochistan. In addition, the project trained community-based health quality assurance teams and local NGOs to support refugee programs' health and education sector transitions off of international assistance.

USAID. USAID's Office of Food for Peace (FFP) and Office of U.S. Foreign Disaster Assistance (OFDA) provide humanitarian assistance in response to complex emergencies¹⁰ 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.

¹⁰ Complex emergencies are humanitarian crises in areas where there has been a breakdown of authority as a result of internal or external conflict.

These experts provide links with other providers of humanitarian assistance in Pakistan and advise the mission on emergency conditions and USAID's options to respond to them.

From 2003 to 2012, FFP provided \$588.9 million to Pakistan to address food needs in complex emergencies and disaster response.

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, 2011, and 2012 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.

According to Pakistan's National Disaster Management Authority, 4.8 million people were affected by flooding in 2012. In response to the 2012 floods, FFP provided its available in-country commodities for emergency distribution to 40,000 families in Sindh and Balochistan Provinces. FFP then used in-country commodities for a second phase of family food rations for 1.2 million people in Sindh and Balochistan.

As of December 31, 2012, USAID reported the following examples of program developments and achievements in FFP humanitarian assistance programs:

- During the quarter, WFP reached an average of 1.1 million IDPs and returnees a month through its FFP-supported relief program in Khyber Pakhtunkhwa and FATA. In addition to IDPs in refugee camps, the program reached 961,000 IDPs outside of camps and provided nearly 50,000 returnees monthly rations to help them rebuild their lives in their home communities.
- During the quarter, FFP provided \$30 million in additional funding to WFP for IDPs in Khyber Pakhtunkhwa and FATA. These funds will cover the cost of program operations, provide approximately 23,000 metric tons of commodities to meet basic food requirements of people displaced by conflict and security operations, contribute to community infrastructure repair, and address malnutrition of young children and pregnant and lactating women.
- The USAID mission expressed its intention to award a \$5 million grant to WFP for the immediate purchase of replacement commodities for humanitarian assistance.
- In response to an appeal from WFP/Pakistan, the Governments of Balochistan and Sindh transferred nearly 23,000 metric tons of wheat from their reserves to WFP for the 2012 flood response. These wheat reserves were released, processed, and distributed with financial assistance from Australia, Denmark, and the United Kingdom, reducing the need for additional FFP contributions.

USAID’s OFDA responds to humanitarian needs in Pakistan that result from natural and man-made disasters.

Heavy monsoon rains that began in late August 2012 triggered flooding that affected 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. Although the Government of Pakistan did not formally appeal for humanitarian assistance, it requested that humanitarian organizations distribute emergency relief items in coordination with local authorities. In response, the U.S. Government issued a disaster declaration on October 5, 2012, to address the flooding in Sindh, Balochistan, and Punjab Provinces. During the reporting period, OFDA provided funding to support shelter, water, sanitation and hygiene activities and the transport of relief supplies. Meanwhile, OFDA staff in Islamabad assessed the impact of the flooding and considered other 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—and helping communities affected by floods over the past 3 years 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 agricultural support. In addition, OFDA is working with disaster-prone communities to reduce their vulnerability through community-based initiatives to manage disaster risk.

During the quarter, USAID/OFDA provided nearly \$5.3 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 OFDA over the previous 10 years.

Thirteen OFDA programs were active in Pakistan at the end of the reporting period, four of which were initiated during the quarter (Table 11). Two OFDA-funded programs that provided support to UN agencies in Pakistan concluded during the reporting period.

Table 11. USAID OFDA Humanitarian Assistance Programs as of December 31, 2012 (Unaudited)

Name	Description	Start Date	End Date	Funding (\$)
Community-Based Disaster Risk Management Program	Improves the capacity and strategies of poor and vulnerable populations and key stakeholders in Sindh, Punjab, and Khyber Pakhtunkhwa Provinces to manage disaster risk through sustainable preparedness and mitigation measures	7/11	3/13	1,342,678

Name	Description	Start Date	End Date	Funding (\$)
Community-Based Disaster Risk Management Program in Sindh	Targets improvements in the capacity and strategies of poor and vulnerable populations and key stakeholders in Sindh Province to manage disaster risk through sustainable preparedness and mitigation measures	9/12	9/13	1,399,962
Disease Early Warning and Response System Support	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	7/12	1/13	3,700,000
Facilitating Economic Recovery for Off-Camp Vulnerable IDP Families	Provides economic recovery assistance to vulnerable IDPs who have been displaced from FATA since 2012 and are residing in host communities in Khyber Pakhtunkhwa	7/12	4/13	2,400,000
Logistics Support for Response to 2012 Floods	Provides logistics support to flood-affected regions	11/12	4/13	100,000
Office for the Coordination of Humanitarian Affairs (OCHA) Support	Provides support to the UN's OCHA for humanitarian assistance coordination and information management activities	1/12	12/13	300,000
Providing Shelter Rehabilitation and Cluster Support	Rehabilitates damaged shelters and provides training on building weather-resistant structures for people affected by flooding and complex emergencies; helps OCHA develop common strategies and promote information sharing and coordination among international relief agencies responsible for shelter activities	5/12	7/13	5,700,000

Name	Description	Start Date	End Date	Funding (\$)
Responding to Pakistan's Internally Displaced (RAPID)	In FATA and Khyber Pakhtunkhwa, provides speedy, targeted grants to partners with the capacity, local knowledge, and access required to meet the needs of flood victims and IDPs, host communities, and returnees	8/09	9/13	5,682,000*
Shelter and Settlement Support in Sindh	Supports the provision of transitional shelter to members of flood-affected households in Sindh Province	12/12	6/13	1,199,360
Supporting Conflict-Displaced People in FATA and Khyber Pakhtunkhwa	Provides conflict-displaced individuals and members of host communities in FATA with access to safe drinking water as well as with exposure to improved sanitation and environmental health and hygiene practices to reduce the risk of waterborne disease	7/12	3/13	600,000
Supporting the Recovery of Flood-Affected People in Southern Sindh Province	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 flooding in 2011	3/12	2/13	2,230,734
UNICEF Support	Supports UNICEF's provision of water, sanitation, and hygiene assistance in response to floods and complex emergencies	12/12	12/13	1,000,000
Water, Sanitation, and Hygiene Support for Flood-Affected Households	Provides water, sanitation, and hygiene assistance in Sindh Province's flood-affected districts of Jacobabad, Kashmor, and Shikarpur	12/12	6/13	1,000,000

Source: USAID/OFDA.

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

* Figure excludes funding from FY 2011 and prior years.

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

- Since last July, OFDA has supported training for community disaster-management committees and schoolteachers on disaster-response techniques through the Community-Based Disaster Risk Management Program. This quarter, OFDA initiated a second program to facilitate disaster preparedness and risk reduction activities in other parts of Pakistan.
- 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 fund in 2009, OFDA has awarded nearly \$29 million to support more than 100 activities that benefit an estimated 2.6 million conflict- and flood-affected people.
- OFDA continued to meet the recovery needs of 38,500 people whose homes were destroyed by severe 2011 monsoon flooding in southern Sindh Province. It provided shelter for more than 2,240 individuals and tree-planting training to 2,590 people. Those living in shelters also receive tree-planting inputs, kitchen gardening kits, and training to reduce food insecurity.
- In November 2012, OFDA concluded its support for efforts by the UN Office for Project Services to provide transitional shelters to people affected by the 2011 floods in Sindh Province. This program facilitated the construction of more than 4,000 one-room shelters.

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.¹¹ 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 assistance¹² to promote transparency, harmonization, and better budget planning by the Government of Pakistan.

¹¹ 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)).

¹² Delivering U.S. assistance through Pakistan's own budgetary, spending, and accounting systems as much as possible is expected to help Pakistan's Government meet the fiscal targets required by the International Monetary Fund and

- Reduce costs.

USAID awarded more than \$2.211 billion to Pakistani institutions between FY 2010 and FY 2012.¹³ As of mid-December 2012, USAID had made approximately \$36.8 million in awards to Pakistani institutions during FY 2013 (Table 12). Awards made by USAID 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 in FY 2013* (Unaudited)

Implementing Partner, Project	Number of Awards	Value (\$) of Subobligations
Direct Funding for Government Projects	1	1,839,050
Government of Khyber Pakhtunkhwa's Local Government and Rural Development Department, Municipal Services Program	1	1,839,050
Awards to Pakistani Nonprofit Organizations	2	21,250,000
Agribusiness Support Fund, Agribusiness Project	1	17,000,000
Trust for Democratic Education and Accountability, Citizen's Voice Project	1	4,250,000
Awards to Pakistani For-Profit Entities	3	13,675,359
Interflow Communications, Public Communications Project	1	8,989,616
National Development Consultants (Pvt.) Ltd., Assessment and evaluation services for Peshawar Master Plan, Municipal Services Program	1	4,035,743
AID (Pvt.) Ltd., Monitoring and evaluation services for projects in FATA and Khyber Pakhtunkhwa	1	650,000
Total	6	36,764,409

Source: USAID/Pakistan.

* Awards made to Pakistani institutions from October 1 to December 15, 2012.

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 budgeting and cash-flow management.

¹³ This total includes \$11.3 million in awards to Pakistani institutions from September 14 to September 30, 2012, that were not noted in the previous edition of this report because of a lag in the mission's reporting on this type of assistance. These funds were awarded to Pakistan's HEC, the FATA Secretariat, the Rural Support Programmes Network, Ages Consultants, Qavi Engineers, and Echo West International.

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. Through the end of 2012, USAID had completed 201 preaward assessments.

USAID also works to strengthen the capacity of Pakistani institutions to manage and oversee project activities. USAID has sponsored 99 activities to build institutional capacity under the Assessment and Strengthening Program and completed 4 research studies on streamlining project management units. Courses offered under the program are designed for government, civil society, and local private sector participants at all levels. The program offers participating organizations training courses on financial management, procurement management, human resources and administrative management, and monitoring and evaluation. The USAID 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, Lahore, and Karachi but experienced a decline in staffing at the regional office in Peshawar.

As shown in Table 13, USAID reported a total of 250 staff (56 U.S. direct hires and 194 others) as of December 31, 2012. USAID mission management did not fill all vacancies during the past few quarters because of limited availability of office facilities for these personnel. With the mission’s move to a new building in mid-September, USAID has expanded recruitment to fulfill its responsibilities without relying on temporary-duty employees or on support from Washington, D.C. According to the *Pakistan Assistance Strategy Report*, USAID, as the lead and largest manager of assistance funds among U.S. Government agencies, will need to increase its project management, legal, financial management, and procurement staff significantly. With an FY 2013 target of 310 staff, USAID/Pakistan remained understaffed by 60 positions.

Table 13. USAID Staffing in Pakistan as of December 31, 2012

Category	Islamabad	Peshawar*	Lahore	Karachi	Total	Change From Sept. 30, 2012
U.S. direct hires	48	4	3	1	56	+2
U.S. personal services contractors	16	4	1	2	23	+3
Third-country nationals	11	1	0	0	12	–
Foreign Service Nationals (Pakistani staff)	116	20	11	9	156	+7
Eligible family members	3	0	0	0	3	+1
Long-term temporary-duty staff [†]	0	0	0	0	0	-1
Total Staff	194	29	15	12	250	+12
Staff Target 2013					310	
Staff Shortfall					60	

Source: USAID/Pakistan.

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

† USAID/Pakistan counts individuals who have been in Pakistan for a year or more occupying vacant positions toward its total number of positions.

PAS personnel in Pakistan work in offices in Islamabad, Karachi, Lahore, and Peshawar. In total, PAS had 28 U.S. direct hires and 53 Pakistani staff members as of December 31, 2012. As of that date, INL-Pakistan had 10 U.S. direct hires, 2 U.S. personal services contractors, 6 third-party contractors, and 76 Pakistani staff; USDA had 3 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 developed corresponding 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 rules regarding 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. Difficulty 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 energy 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 that contributes 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 levels of staff and leadership turnover within the Government of Pakistan and the U.S. Government affect 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.* Some development projects have the potential to degrade the natural or physical environment. USAID/Pakistan conducts environmental assessments before disbursing funds for projects. 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. Several major U.S. Government programs are designed to increase the institutional capacity of Pakistani institutions in these areas. USAID/Pakistan's Population Health and Nutrition Office, for example, implements a number of programs, including support for the Health Services Academy, to strengthen health-care institutions and human capital.
- *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 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; two people associated with the project were killed, and a third was injured. In August, eight local WAPDA staff members working on the Gomal Zam Dam Project were kidnapped and one was later found dead. In December, nine polio-eradication workers were killed because they were involved in vaccination drives. 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, and they challenge 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 entering project performance data, 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, which 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's 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 explains 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 works with partners to build capacity and mitigate risks. In addition, USAID increasingly uses fixed-amount reimbursable agreements 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 consultancies or 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 December 31, 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 was due to arrive in Pakistan in January 2013.
- *Expanding the use of independent Pakistani public accounting firms to conduct financial audits of funds provided to Pakistani NGOs.* As of December 31, 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. OIG plans to conduct another training session for Office of Auditor General personnel and representatives of public accounting firms during the second quarter of FY 2013.
- *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. The Office of the Auditor General completed 11 financial audits of USAID-funded activities this quarter.
- *Working with Pakistan's National Accountability Bureau.¹⁴* 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 432 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 six fraud awareness briefings for 79 attendees.

¹⁴ 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, the Government Accountability Office (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 DOS and USAID, along with GAO, reported that they had conducted Pakistan-related work during the quarter; the OIGs for DOC, DOD, the Department of Homeland Security, the Department of Justice, and USDA 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 State Office of Inspector General

Work Completed

From October 1 to December 31, 2012, DOS OIG completed one review related to Pakistan:

- **Compliance Followup Review of Department of State Internal Controls Over the J. William Fulbright Scholarship Fund in Pakistan (Report No. AUD-MERO-13-18, December 31, 2012).** OIG reviewed the Fulbright Program in Pakistan to determine whether actions taken by the Department to implement recommendations made in a previous report¹⁵ had been effective. OIG auditors found that DOS had improved financial reporting, integrated grants management into its accounting system, and hired a needed contractor. As a result, the Department had taken sufficient action to close 10 of the 11 recommendations in the original report. However, OIG reissued one recommendation to the Bureau of Educational and Cultural Affairs because it had not ensured that the U.S. Educational Foundation in Pakistan had instituted an adequate internal control system to meet Fulbright Foreign Scholarship Board requirements or those in its finance and accounting manual.

Work Under Way

As of December 31, 2012, DOS OIG had one audit 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 whether INL is achieving intended and sustainable results through each component of the program.

¹⁵ DOS OIG, "Limited Scope Review of Management and Internal Controls Over the J. William Fulbright Scholarship Fund in Pakistan," MERO-I-09-07, May 2009.

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 closed one investigation during the reporting period.

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 57 Pakistan-based financial audits and agreed-upon procedures reports and 20 performance audits and reviews of Pakistan-related assistance efforts. These reports have made 139 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 \$632.1 million in expenditures. OIG audits during this

period have identified approximately \$25.3 million in sustained questioned costs and funds to be put to better use.

Work Completed

From October 1 to December 31, 2012, USAID OIG completed 15 financial audit reports and 2 reports on agreed-upon procedures.

- **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 (Report No. G-391-13-001-R, October 2, 2012).** The audit covered total revenues and costs of \$902,897 and \$896,366, respectively, and questioned costs of \$64,780. Auditors questioned these costs pertaining to an award subrecipient, the Sindh Rural Support Organization (SRSO), because an audit of its expenditures had not been performed as required. USAID OIG considered this a material instance of noncompliance but did not make a related recommendation because a previous financial audit addressed the matter.¹⁶
- **Closeout Financial Audit of the Emergency Relief Items to Communities Affected by Floods in Pakistan Program, Agreement No. 391-A-0010-01187-00, Managed by the Rural Support Programmes Network, for the Period August 13 to November 15, 2010 (Report No. G-391-13-002-R, October 3, 2012).** This audit covered total revenues and costs of \$2,329,071 and \$1,966,203 respectively, under the program. Because funds received by an award subrecipient, SRSO, had not been audited as required, this audit questioned \$377,789 in expenditures pertaining to the subrecipient but did not make a related recommendation because a previous financial audit addressed the matter.¹⁷ This audit did not identify any other material weakness in internal control or any instances of noncompliance, but questioned an additional \$929 in ineligible costs and made one related recommendation.
- **Financial Audit of the Assessment and Strengthening Program for Civil Society Organizations, 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 (Report No. G-391-13-003-R, October 3, 2012).** The audit covered total revenues and costs of \$1,048,944 and \$980,782, respectively. It did not identify any questioned costs, material weakness in internal control, or material instances of noncompliance.

¹⁶ USAID OIG, “Financial Audit of the Emergency Relief and Early Recovery for Flood Affecteds 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.

¹⁷ Ibid.

- **Financial Audit of the Small Grants and Ambassador’s Fund Program, Subaward Under Contract No. 391-C-00-10-01189-00, Managed by the Rural Support Programmes Network, for the Period August 31, 2010, to June 30, 2011 (Report No. G-391-13-004-R, October 4, 2012).** This audit covered \$52,147 in revenues and \$123,886 in costs. Auditors did not question any costs or identify any material weakness in internal control or instances of noncompliance.
- **Agreed-Upon Procedures Review of USAID Resources Managed by the Rural Support Programmes Network Under the Sindh Agricultural Recovery Project (Report No. G-391-13-001-O, October 24, 2012).** This review covered total costs of \$13,987,593 incurred under the program from November 15, 2010, to July 31, 2011. Auditors questioned \$6,223,045 in costs associated with noncompetitive procurements, overpayments, underdistribution of commodities, and ineligible travel costs, among other items. Auditors also identified several weaknesses in internal control and instances of noncompliance. OIG made two recommendations to address these matters.
- **Financial Audit of the USAID Cash Transfer Managed by the Higher Education Commission Under Grant No. 391-012, Implementation Letter No. 3, for the Period September 30, 2009, to June 30, 2010 (Report No. G-391-13-005-R, October 31, 2012).** This audit covered revenues and costs of \$44,934,972 under USAID’s grant for budget support for university and technical education in Khyber Pakhtunkhwa. OIG questioned \$2,402,024 in costs related to ineligible beneficiaries, unauthorized student charges, duplicate payments, and funds provided to universities that were not supported by expenditure reports. OIG made two recommendations to address associated issues and to ensure that in the future universities receiving grant funds from the Pakistani Government need financial assistance.
- **Financial Audit of USAID Funds Managed by the Northern Power Generation Company Limited Under Program Assistance Agreement No. 391-MUZ-FARA-004-00 for the Period May 20, 2010, to June 30, 2011 (Report No. G-391-13-006-R, November 1, 2012).** The audit covered fixed-amount reimbursements of \$4,464,500 and did not identify any questioned costs or material internal control weaknesses. However, auditors noted several material instances of noncompliance, such as failures to adhere to environmental standards and a lack of required operating procedures. OIG made one recommendation to address these problems.
- **Financial Audit of Malakand Reconstruction and Recovery Program, Housing Cash Transfer Grant Agreement No. 391-011, Implementation Letter No. HSG-02, Managed by the Provincial Disaster Management Authority / Provincial Relief, Rehabilitation and Settlement Authority, for the Year Ended June 30, 2011 (Report No. G-391-13-007-R, November 8, 2012).** The audit covered total revenues and costs of \$24,000,000 and \$22,446,000, respectively. Auditors identified ineligible questioned costs of \$193,156 related to

interest earned on funds that were not disbursed to beneficiaries in a timely manner. The report made two recommendations.

- **Financial Audit of USAID Funds Managed by Jamshoro Power Company Limited Under Program Assistance Agreement No. 391-JAM-FARA-003-00 for the Year Ended June 30, 2011 (Report No. G-391-13-008-R, November 15, 2012).** This audit covered fixed-amount reimbursements of \$670,000 under an agreement to repair and rehabilitate Pakistan's Jamshoro Power Plant. Auditors did not identify any questioned costs, material internal control weaknesses, or material instances of noncompliance in their audit report. However, in a separate management letter issued to the management of Jamshoro Power Company, auditors conveyed several observations. OIG considered three of them material instances of noncompliance and made one related recommendation.
- **Financial Audit of USAID Funds Managed by the Water and Power Development Authority Under Program Assistance Agreement No. 391-PEPA-ENR-GOMAL-PIL-001 for the Year Ended June 30, 2011 (Report No. G-391-13-009-R, December 3, 2012).** The audit covered fixed-amount reimbursements of \$26,053,000 under an agreement to fund construction of the Gomal Zam Dam, transmission lines, and a hydropower component. Auditors did not question any costs but noted one material instance of noncompliance, and OIG made one recommendation to correct it.
- **Financial Audit of USAID Funds Managed by the Water and Power Development Authority Under Program Assistance Agreement No. 391-TDR-FARA-002-00 for the Year Ended June 30, 2011 (Report No. G-391-13-010-R, December 3, 2012).** The audit covered fixed-amount reimbursements of \$9,509,000 under an agreement to fund the repair and rehabilitation of the Tarbela Power Plant. Auditors did not identify any questioned costs, material internal control weaknesses, or material instances of noncompliance.
- **Financial Audit of USAID Funds Managed by the Water and Power Development Authority Under Program Assistance Agreement No. 391-PEPA-ENR-SATPARA-PIL-001 for the Year Ended June 30, 2011 (Report No. G-391-13-011-R, December 5, 2012).** This audit covered fixed-amount reimbursements of \$9,397,300 under an agreement to fund construction on hydropower and irrigation projects associated with the Satpara Dam. Auditors did not identify any questioned costs or material internal control weaknesses but did observe one material instance of noncompliance, which led to an OIG recommendation.
- **Financial Audit of USAID Funds Managed by the FATA Secretariat Under Program Assistance Agreement No. 391-SWA-FARA-001-00, for the Year Ended June 30, 2011 (Report No. G-391-13-012-R, December 18, 2012).** The audit covered fixed-amount reimbursements of \$7,593,271 under an agreement to fund the widening and improvement of the Jandola-Kotkai-Sararogha Road. Auditors questioned costs incurred by the FATA Secretariat, but OIG did not make any related recommendations because the recipient was not reimbursed for

those costs above approved rates or for those costs that did not contribute to the achievement of independently verified milestones.

- **Financial Audit of USAID Funds Managed by the FATA Secretariat Under Program Assistance Agreement No. 391-AAG-011-SWA-TANK for the Year Ended June 30, 2011 (Report No. G-391-13-013-R, December 18, 2012).** This audit covered fixed-amount reimbursements of \$13,251,380 under an agreement to fund the widening and improvement of the Tank-Kaur and Kaur-Jandola Roads. Auditors questioned costs incurred by the recipient, but OIG did not make any related recommendations because the recipient was not reimbursed for those costs above approved rates or for those that did not contribute to the achievement of independently verified milestones.
- **Financial Audit of USAID Funds Managed by the FATA Secretariat Under Program Assistance Agreement No. 391-013, Project Implementation Letter for the Kaur-Gomal-Tanai-Wana Road, for the Year Ended June 30, 2011 (Report No. G-391-13-014-R, December 18, 2012).** The audit covered fixed-amount reimbursements of \$26,978,011. Auditors questioned costs incurred by the recipient, but OIG did not make any related recommendations because the recipient was not reimbursed for those costs above approved rates or for those that did not contribute to the achievement of independently verified milestones.
- **Financial Audit of USAID Funds Managed by the FATA Secretariat Under Program Assistance Agreement No. 391-013-001 for the Reactivation and Rehabilitation of Damaged Transformers and 33-Kilovolt High-Tension and 11-Kilovolt Low-Tension Lines, for the Year Ended June 30, 2011 (Report No. G-391-13-015-R, December 18, 2012).** The audit covered fixed-amount reimbursements of \$3,400,000. Auditors questioned costs incurred by the recipient but OIG did not make any related recommendations because the recipient was not reimbursed for those costs above approved rates or for those that did not contribute to the achievement of independently verified milestones.
- **Financial Procedures Review of USAID/Pakistan Resources Managed by Save the Children Under the Improved Child Health in the Federally Administered Tribal Areas Program (Report No. G-391-13-002-O, December 21, 2012).** This agreed-upon procedures engagement covered revenues and costs of \$21,280,765 and \$21,199,942, respectively. Auditors questioned \$4,775,834 in costs because evidence of proper authorizations was not available, procurements had not been made competitively, or supporting documentation was not available to establish that procurements were made competitively. In addition to these issues, auditors noted six material weaknesses in internal control—such as failures to adhere to personnel recruitment policies and poor inventory record maintenance—and three material instances of noncompliance. OIG made two recommendations to address these issues.

Work Under Way

As of December 31, 2012, USAID OIG had three performance audits and one financial audit in progress:

- **Audit of USAID/Pakistan’s Design for Sustainability in the Jamshoro Thermal Power Station Repair and Rehabilitation Project.** This audit will determine whether USAID/Pakistan has built sustainability into the repair and rehabilitation of the Jamshoro Thermal Power Station.
- **Audit of USAID/Pakistan’s Monitoring and Evaluation Program.** This audit will determine whether USAID/Pakistan is using results from its monitoring and evaluation program to manage its portfolio.
- **Audit USAID/Pakistan’s Gender Equity Program Implemented by the Aurat Foundation.** This audit will determine whether the program has advanced women’s rights by expanding women’s access to justice, combating gender-based violence, and strengthening the capacity of Pakistani organizations that advocate for women’s rights.
- **Financial Audit of the Government of Pakistan’s Receipts and Disbursements of Special Rupee and Revolving Fund Accounts Under USAID-Funded Agreements.**

Work Planned

In addition to those completed and under way, USAID OIG plans to conduct nine performance audits during the remainder of FY 2013:

- **Audit of USAID/Pakistan’s FATA Secretariat Capacity Building Program—Phase II.** This audit will determine whether the program is improving the capacity of governmental institutions to govern through training, automating processes, and developing management and financial systems.
- **Audit of USAID/Pakistan’s Smallholder Dairy Project.** This audit will determine whether the project is strengthening the skills of dairy farmers and livestock workers to expand yields, improve breeding interventions, and increase incomes.
- **Audit of USAID/Pakistan’s Agribusiness Project.** This audit will determine whether the project is effectively monitoring whether farmers’ incomes and employment opportunities have increased as a result of the development of agricultural value chains.
- **Audit of USAID/Pakistan’s Government-to-Government Assistance.** This audit will determine whether this is an effective development mechanism.

- **Audit of USAID/Pakistan’s Entrepreneurs Project.** This audit will determine whether the project has succeeded in increasing the incomes of 75,000 microenterprise owners, and whether USAID has taken effective corrective actions in response to the recommendations of a previous OIG audit of the program (Report No. G-391-12-005-P, April 20, 2012).
- **Audit of USAID/Pakistan’s Small Grants and Ambassador’s Fund Program.** This audit will determine whether this initiative has resulted in community-based projects that meet community needs.
- **Audit of USAID/Pakistan’s Power Distribution Improvement Program.** This audit will determine whether the program is improving the operational and financial performance of the eight electric power distribution companies in Pakistan by reducing losses, increasing revenues, and improving service.
- **Audit of USAID/Pakistan’s Reconstruction of Schools in Malakand.** This audit will determine whether projects to reconstruct 74 schools have been completed as planned.
- **Audit of the Sindh Basic Education Program.** This audit will determine whether the program is achieving its goals of increasing and sustaining student enrollment in targeted areas.

Investigative Work and the Anti-Fraud Hotline

As of December 31, 2012, USAID OIG had 30 open investigations pertaining to Pakistan. OIG investigators did not close any cases during the quarter. However, the following significant investigative developments took place:

- **Head of Local USAID Implementing Partner Resigns Following OIG Investigation.** In December 2012, the SRSO board of directors accepted the resignation of its chief executive officer (CEO) in connection with a yearlong OIG investigation into alleged mismanagement, theft, and corruption associated with SRSO’s participation in several USAID-funded projects. OIG investigators learned that the CEO had obstructed OIG’s investigation into the allegations. He had instructed two employees to have villagers sign falsified documentation indicating that they had received payment under a USAID project, though they had not. In May 2012, USAID proposed SRSO for debarment. A final decision on that matter is pending.
- **Investigation Leads to Correction of Noncompliance.** In mid-2012, OIG initiated an investigation into allegations of conflicts of interest on the part of a senior official of the Aurat Foundation, the Pakistani NGO implementing USAID’s Gender Equity Program. The program is designed to empower women and promote their rights through grants to civil society organizations addressing these issues. OIG’s investigation revealed that a preexisting relationship existed between the Aurat Foundation official and representatives of organizations receiving program grants. Although the appearance of a conflict of interest may have existed, the investigation did not reveal any evidence of inappropriate conduct in the grant process. In the course of conducting the

inquiry, however, OIG investigators learned that the Aurat Foundation did not have a conflict-of-interest policy as required by its cooperative agreement with USAID. OIG notified USAID/Pakistan of this noncompliance, and the Aurat Foundation established the required policy in December 2012.

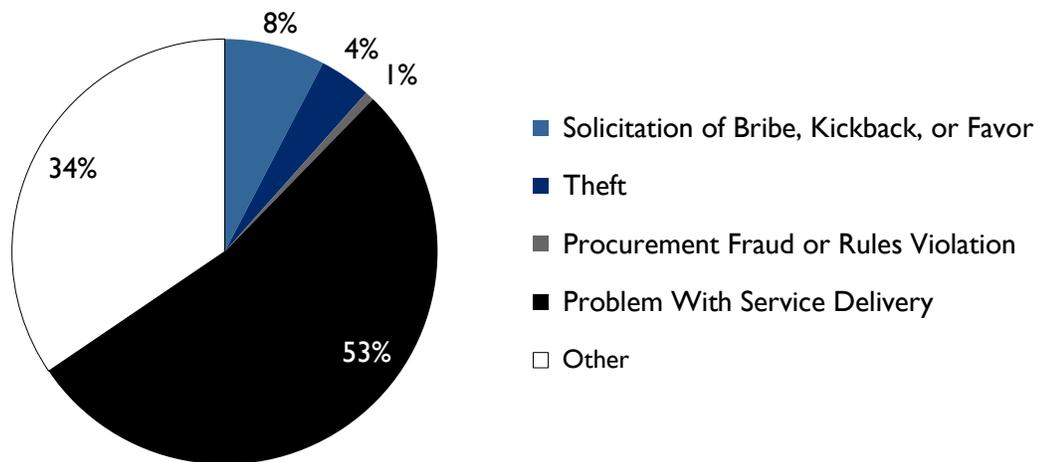
Outreach. USAID OIG continued to work to reinforce fraud reporting and investigation in Pakistan through outreach efforts. During the reporting period, OIG conducted six fraud awareness briefings for 79 participants. Investigative outreach efforts this quarter focused on employees of USAID implementing partners and local audit firms.

Anti-Fraud Hotline. USAID OIG also continued to work closely with the hotline to vet and investigate incoming complaints. This quarter, the hotline received 432 complaints.

Consistent with patterns of reporting in previous quarters, most hotline complaints originated from Sindh Province. During this quarter, total complaints were distributed across Pakistan’s regions as follows: Sindh 283 (66 percent), Balochistan 68 (16 percent), Punjab 51 (12 percent), and Khyber Pakhtunkhwa 13 (3 percent). Other areas of Pakistan combined to account for 4 percent of complaints.

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

Figure 2. 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 significant 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 October 1

to December 31, 2012, OIG referred 171 hotline complaints to outside entities, including WFP, UNICEF, the UN Office for Project Services, the World Bank, Pakistan's BISP, Save the Children, and the National Rural Support Programme.

Government Accountability Office

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

Work Under Way

As of December 31, 2012, GAO had one ongoing engagement concerning Pakistan:

- **Pakistan Visa Delays.** Since fiscal year 2002, Pakistan has received more than \$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 found that U.S. officials report delays in obtaining visas to travel to Pakistan. GAO is (1) evaluating how and to what extent U.S. agencies track information on the status of visas for U.S. officials for travel to Pakistan, (2) determining the extent to which U.S. officials experience delays obtaining a visa for travel to Pakistan and the causes of such delays, and (3) examining how delays affect the delivery and oversight of U.S. assistance programs as well as what steps agencies have taken to address potential delays and their effects. GAO expects to complete this engagement in the spring of 2013.

Appendix I—Distribution of U.S. Assistance by Agency

The following table provides information on the obligation and disbursement of assistance by federal agencies and offices from FY 2010 through December 31, 2012.

Civilian Assistance to Pakistan by Sector, Agency, and Fund as of December 31, 2012 (\$ Million; Unaudited)

Managing Agency or Office	Fund	Obligated*				Disbursed FYs 2010–2012 [†]
		FY 2010	FY 2011	FY 2012	Total	
Energy						
USAID	ESF	98.3	237.5	–	335.8	195.7
Subtotal		98.3	237.5	–	335.8	195.7
Economic Growth						
DOC	ESF	–	1.0	–	1.0	2.7
DOT	ESF	0.1	–	–	0.1	0.1
USAID	ESF	79.6	164.1	–	243.8	126.9
USDA	ESF	18.9	9.9	0.3	29.1	19.7
USTDA	ESF	–	3.0	–	3.0	3.8
Subtotal		98.6	178.1	0.3	277.0	153.1
Stabilization						
DOS OIG	ESF	2.0	–	–	2.0	2.0
Economic Section, U.S. Embassy	NADR	15.0	10.7	–	25.7	–
INL, DOS	ESF	–	–	–	–	15.7
	INCLE	166.0	114.4	4.0	284.4	140.6
Office of the Special Representative for Afghanistan and Pakistan, DOS	ESF	–	–	–	–	1.0
POL, U.S. Embassy	NADR	1.6	1.8	0.8	4.2	1.0
RSO, U.S. Embassy	NADR	15.4	10.0	–	25.4	23.7
USAID	ESF	248.8	150.4	0.6	399.8	440.8
	PCF	–	70.0	–	70.0	–

Managing Agency or Office	Fund	Obligated*				Disbursed FYs 2010–2012 [†]
		FY 2010	FY 2011	FY 2012	Total	
USIP	ESF	3.0	–	–	3.0	1.8
Subtotal		451.8	357.2	5.4	814.4	626.8
Education						
PAS, U.S. Embassy	ESF	19.5	19.5	19.5	58.5	58.0
USAID	ESF	206.4	82.3	–	288.7	222.7
Subtotal		225.9	101.8	19.5	347.2	280.7
Health						
USAID	ESF / GHCS	224.3	84.7	–	309.1	212.7
Subtotal		224.3	84.7	–	309.1	212.7
Crosscutting Priorities: Good Governance, Gender Equity, and Greater Transparency						
DOD	ESF	7.0	7.0	–	14.0	1.0
	ESF	5.0	–	–	5.0	1.3
DRL, DOS [‡]	Human Rights & Democracy Fund [§]	2.1	–	–	2.1	1.7
PAS	Consular and Diplomatic Programs	6.9	9.5	25.6	42.0	14.6
	ESF	–	9.2	–	9.2	9.2
USAID	ESF	97.6	118.4	–	216.0	105.0
Subtotal		118.6	144.1	25.6	288.3	132.8
Humanitarian Assistance						
PRM, DOS**	ERMA	33.0	–	–	33.0	33.0
	MRA	57.0	33.5	12.2	102.7	102.7
	ESF	334.7	–	–	334.7	683.0
USAID	Food for Peace	96.8	115.1	98.2	310.0	310.2
	International Disaster Assistance	358.6	60.1	41.0	459.6	547.0
Subtotal		880.1	208.6	151.3	1,240.1	1,675.9

Managing Agency or Office	Fund	Obligated*			Total	Disbursed FYs 2010–2012 [†]
		FY 2010	FY 2011	FY 2012		
Total		2,097.8	1,312.0	202.1	3,611.9	3,277.6

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.

‡ In addition to funds from ESF and the Human Rights and Democracy Fund, DRL assistance to Pakistan for crosscutting priorities has been supported by less than \$100,000 in Development Assistance funding.

§ 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 \$218.5 million from October 1, 2009, to December 31, 2012, for this regional effort.

Appendix II—Completed Oversight Reports

The following table lists oversight reports completed since the passage of the Enhanced Partnership with Pakistan Act, October 15, 2009.

Oversight Reports Completed as of December 31, 2012

Agency	Report Number	Report Date	Report Title
<i>FY 2013 Reports</i>			
DOS	AUD-MERO-13-18	12/31/12	Compliance Followup Review of Department of State Internal Controls Over the J. William Fulbright Scholarship Fund in Pakistan
USAID	G-391-13-002-O	12/21/12	Financial Procedures Review of USAID/Pakistan Resources Managed by Save the Children Under the Improved Child Health in the Federally Administered Tribal Areas Program
USAID	G-391-13-015-R	12/18/12	Financial Audit of USAID Funds Managed by the FATA Secretariat for the Reactivation and Rehabilitation of Damaged Transformers and 33-Kilovolt High-Tension and 11-Kilovolt Low-Tension Lines for the Year Ended June 30, 2011
USAID	G-391-13-014-R	12/18/12	Financial Audit of USAID Funds Managed by the FATA Secretariat for the Kaur-Gomal-Tanai-Wana Road for the Year Ended June 30, 2011
USAID	G-391-13-013-R	12/18/12	Financial Audit of USAID Funds Managed by the FATA Secretariat Under Program Assistance Agreement No. 391-AAG-011-SWA-TANK for the Year Ended June 30, 2011
USAID	G-391-13-012-R	12/18/12	Financial Audit of USAID Funds Managed by the FATA Secretariat Under Program Assistance Agreement No. 391-SWA-FARA-001-00 for the Year Ended June 30, 2011
USAID	G-391-13-011-R	12/05/12	Financial Audit of USAID Funds Managed by the Water and Power Development Authority Under Program Assistance Agreement No. 391-PEPA-ENR-SATPARA-PIL-001 for the Year Ended June 30, 2011
USAID	G-391-13-010-R	12/03/12	Financial Audit of USAID Funds Managed by the Water and Power Development Authority Under Program Assistance Agreement No. 391-TDR-FARA-002-00 for the Year Ended June 30, 2011

Agency	Report Number	Report Date	Report Title
USAID	G-391-13-009-R	12/03/12	Financial Audit of USAID Funds Managed by the Water and Power Development Authority Under Program Assistance Agreement No. 391-PEPA-ENR-GOMAL-PIL-001 for the Year Ended June 30, 2011
USAID	G-391-13-008-R	11/15/12	Financial Audit of USAID Funds Managed by Jamshoro Power Company Limited for the Year Ended June 30, 2011
USAID	G-391-13-007-R	11/08/12	Financial Audit of the Malakand Reconstruction and Recovery Program Managed by the Provincial Disaster Management Authority / Provincial Relief, Rehabilitation and Settlement Authority, for the Year Ended June 30, 2011
USAID	G-391-13-006-R	11/01/12	Financial Audit of the USAID Funds Managed by the Northern Power Generation Company for the Period May 20, 2010, to June 30, 2011
USAID	G-391-13-005-R	10/31/12	Financial Audit of the USAID Cash Transfer Managed by the Higher Education Commission for the Period September 30, 2009, to June 30, 2010
USAID	G-391-13-001-O	10/24/12	Agreed-Upon Procedures Review of USAID/Pakistan Resources Managed by the Rural Support Programs Network Under the Sindh Agricultural Recovery Project
USAID	G-391-13-004-R	10/04/12	Financial Audit of the Small Grants and Ambassador's Fund Program, Subaward Managed by the Rural Support Programmes Network, for the Period August 31, 2010, to June 30, 2011
USAID	G-391-13-003-R	10/03/12	Financial Audit of the Assessment and Strengthening Program for Civil Society Organizations Managed by the Rural Support Programmes Network, for the Period October 12, 2010, to June 30, 2011
USAID	G-391-13-002-R	10/03/12	Closeout Financial Audit of the Emergency Relief Items to Communities Affected by Floods in Pakistan Program Managed by the Rural Support Programmes Network, for the Period August 13 to November 15, 2010
USAID	G-391-13-001-R	10/02/12	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, for the Year Ended June 30, 2011

Agency	Report Number	Report Date	Report Title
FY 2012 Reports			
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
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

Agency	Report Number	Report Date	Report Title
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 Khushhali 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
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

Agency	Report Number	Report Date	Report Title
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, 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 Avas 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
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

Agency	Report Number	Report Date	Report Title
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
<i>FY 2011 Reports</i>			
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
DOS	ISP-111-47	06/30/11	Inspection of the Bureau of South and Central Asian Affairs
DOS	ISP-111-48	06/30/11	Inspection of the Office of the Special Representative for Afghanistan and Pakistan

Agency	Report Number	Report Date	Report Title
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

Agency	Report Number	Report Date	Report Title
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
<i>FY 2010 Reports</i>			
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

Agency	Report Number	Report Date	Report Title
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 III—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
CEO	Chief Executive Officer
DOC	U.S. Department of Commerce
DOD	U.S. Department of Defense
DOS	U.S. Department of State
DOT	U.S. Department of the Treasury
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
HEC	Higher Education Commission
ICITAP	International Criminal Investigative Training Assistance Program

IDP	internally displaced person
INCLE	International Narcotics and Law Enforcement
INL	Bureau of International Narcotics and Law Enforcement Affairs, U.S. Department of State
MRA	Migration and Refugee Assistance
NADR	Nonproliferation, Anti-terrorism, Demining, and Related Programs
NGO	nongovernmental organization
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)
PCF	Pakistan Counterinsurgency Fund
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)
SRSO	Sindh Rural Support Organization
UN	United Nations
UNHCR	UN High Commissioner for Refugees
UNICEF	UN Children's Fund
UNODC	UN Office on 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