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

As of June 30, 2011





# Contents

- Executive Summary ..... 1
- Background..... 3
- Program Status ..... 5
  - Flood Response ..... 8
  - High-Impact, High-Visibility Infrastructure..... 10
  - Focused Humanitarian and Social Services: Immediate Postcrisis and Humanitarian Assistance..... 14
  - Focused Humanitarian and Social Services: Increased Access to and Quality of Education and Health Services ..... 18
  - Government Capacity Development: Improved National and Local Governance ..... 21
  - Government Capacity Development: Improved Security and Legal Institutions ..... 25
  - Assistance to Pakistani Institutions ..... 27
- Staffing ..... 31
- Risks and Mitigation Strategies ..... 32
- Oversight Status..... 36
  - USAID Office of Inspector General..... 36
  - Department of State Office of Inspector General ..... 41
  - Department of Defense Office of Inspector General ..... 42
  - Government Accountability Office..... 42
  - Completed Oversight Reports as of June 30, 2011 ..... 44
- Appendix—Abbreviations ..... 47

# 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 in the amount of \$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, informs 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.

For FY 2011, Congress appropriated \$1.086 billion authorized by the Enhanced Partnership with Pakistan Act of 2009, along with other assistance funds, to support the civilian assistance strategy in Pakistan. As of June 30, 2011, the U.S. Embassy reported that \$416.6 million in FY 2011 civilian assistance funds had been obligated. As stated in the December 2009 Report, these funds are intended to support high-impact, high-visibility infrastructure; focused humanitarian and social services; and government capacity development. The funds also support shifting requirements and needs as determined by the U.S. Government in consultation with the Government of Pakistan.

The U.S. assistance program to Pakistan was affected by significant economic, political, and security challenges during the reporting period. In particular, implementation and monitoring of USAID projects were hindered by stricter Government of Pakistan requirements for travel outside Islamabad and provincial capitals. Staffing was hampered by the denial of visas and visa extensions for U.S. Government employees, and USAID personnel were harassed by local authorities. Despite these challenges, the United States fulfilled its pledge to provide \$190 million to the Citizen's Damage Compensation Program, a major achievement toward flood recovery and reconstruction.

USAID—the largest contributor to the assistance program—increased the scale of the activities it supports while strengthening implementation. Since the start of FY 2011, USAID has made 32 awards totaling about \$406.6 million to governmental and nongovernmental Pakistani institutions; this quarter USAID made 6 awards totaling \$222.9 million. To mitigate risk and improve monitoring and oversight, USAID continued monitoring programs in insecure areas through Pakistani firms, conducting preaward assessments of local implementing partners, and providing technical assistance to government ministries. Additionally, this quarter, USAID awarded a missionwide monitoring and evaluation contract that involves conducting routine monitoring, collecting data, and performing evaluations and assessments.

To ensure that USAID's funds are protected against waste and theft, USAID's Office of Inspector General (OIG) held briefings, pursued hotline complaints, and conducted investigations and audits. USAID OIG hosted two fraud-awareness briefings in Pakistan for USAID, U.S. Consulate, and contractor personnel and continued to collaborate with USAID/Pakistan on the Anti-Fraud Hotline. During the quarter, the hotline received 1,303 complaints related to projects funded by USAID and other organizations. USAID OIG initiated a number of investigations based on hotline allegations.

Also during the quarter, USAID OIG completed six audits—two performance audits and four financial audits. USAID OIG reviewed USAID/Pakistan’s management of preaward assessments and found that USAID had not ensured that recipients corrected significant vulnerabilities before receiving funding; this lack of follow-up placed U.S. Government resources at higher risk for fraud, waste, and abuse. In another performance audit, USAID OIG reviewed road rehabilitation and reconstruction activities. USAID OIG found that fixed-amount reimbursement agreements had reduced risk and that activities were on track, with 215 kilometers of road finished according to specifications and funding requirements. However, to continue making progress, USAID OIG recommended nine operational improvements ranging from designating personnel to oversee environmental compliance to tailoring capacity building. USAID OIG also carried out four financial audits covering total incurred costs of \$6,811,739. Together, these audits questioned costs of \$138,006, identified four material instances of noncompliance, and noted four material weaknesses and three significant deficiencies in internal control.

# Background

The Department of State developed a strategy<sup>1</sup> in connection with the Enhanced Partnership with Pakistan Act of 2009 (Public Law 111-73) that seeks to align U.S. assistance more closely with Pakistan's development and investment priorities. The U.S. strategy for civilian assistance in Pakistan has three objectives:

- Improve the Government of Pakistan's capacity to address the country's most critical infrastructure needs.
- Help the Pakistani Government address basic needs and provide improved economic opportunities in areas most vulnerable to extremism.
- Strengthen Pakistan's capacity to pursue economic and political reforms that reinforce stability.

To further these objectives, the strategy features programming in five areas: (1) high-impact, high-visibility infrastructure, (2) focused humanitarian and social services—immediate postcrisis and humanitarian assistance, (3) focused humanitarian and social services—increased access to and quality of education and health services, (4) government capacity development—improved national and local governance, and (5) government capacity development—improved security and legal institutions.

In 2011 the strategy has been refined to prioritize assistance in key areas—energy, economic growth and agriculture, stabilization, education, and health—and to emphasize better governance, a cross-cutting goal that is an integral part of all programs. USAID's approach to Pakistan focuses on addressing the country's energy crisis, raising incomes in the agricultural sector, improving the government's capacity to deliver education and health services, and expanding government control in insecure areas.<sup>2</sup>

The reporting period, April 1–June 30, 2011, was marked by significant economic, political, and security challenges that affected the U.S. assistance program to Pakistan. Despite these challenges, Secretary of State Hillary Clinton stated in May that the U.S. Government “is prepared to stand by the Pakistani people for the long haul.”<sup>3</sup> Similarly, during a visit to Islamabad in May, Senator John Kerry expressed his determination to ensure that programs financed by the Enhanced Partnership with Pakistan Act of 2009 proceed and demonstrate the U.S. Government's long-term commitment to Pakistan.<sup>4</sup> Shortly thereafter the United States fulfilled its pledge to provide \$190 million to the Citizen's Damage Compensation Program, a major achievement toward flood recovery and reconstruction. Through the

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

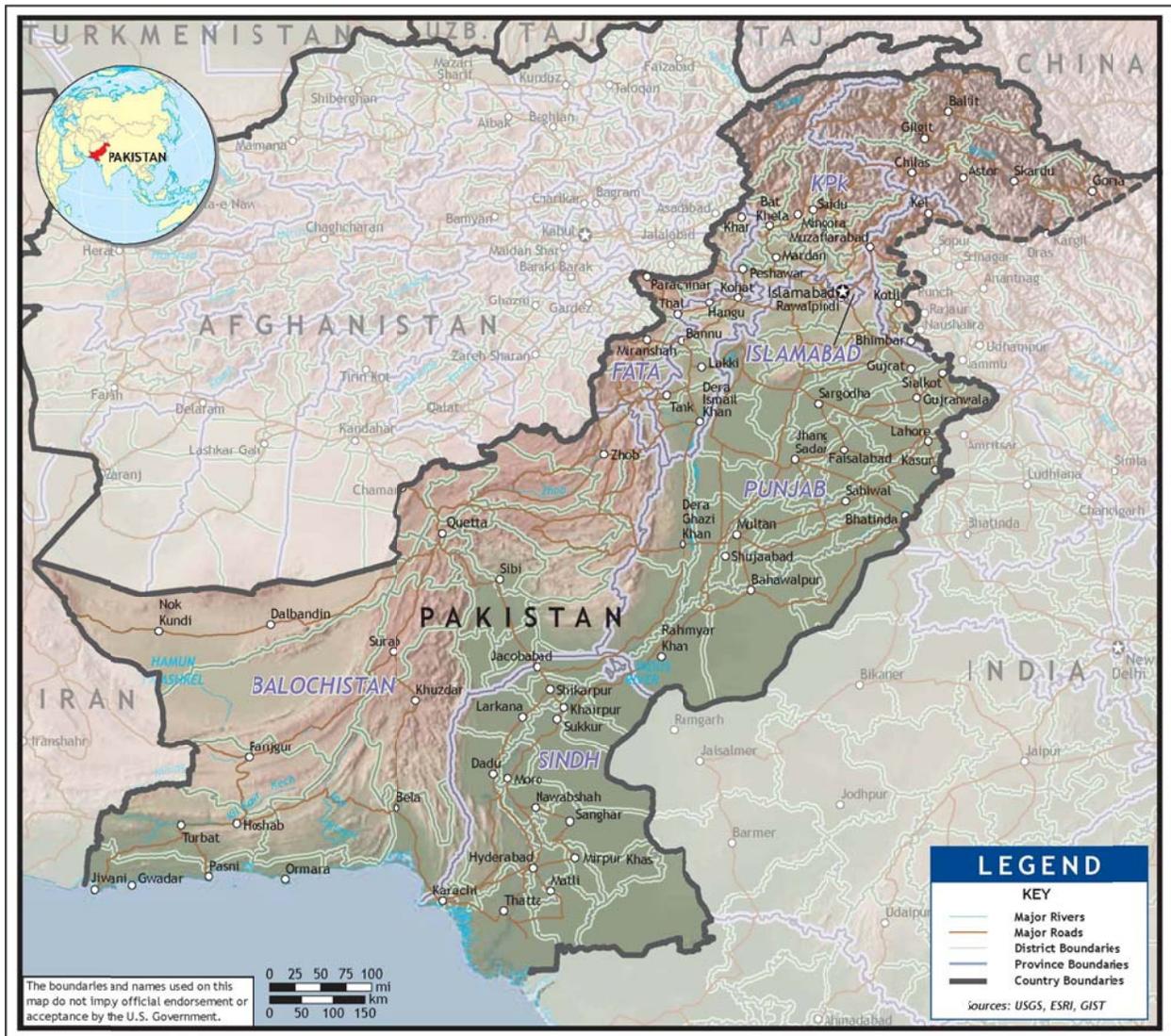
<sup>2</sup> J. Alexander Thier, “USAID: Achieving Results in Pakistan,” USAID IMPACTblog, June 1, 2011.

<sup>3</sup> U.S. Embassy Islamabad, Transcript of Secretary Clinton's and Admiral Mullen's Remarks, May 27, 2011.

<sup>4</sup> U.S. Embassy Islamabad, “Senator Kerry's Statement to the Pakistani Media,” May 16, 2011.

program, the Government of Pakistan will provide cash support to Pakistani families affected by last summer's floods.<sup>5</sup>

**Figure I. Map of Pakistan**



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

<sup>5</sup> USAID/Pakistan, "Deputy Secretary of State Thomas R. Nides Press Statement with Minister Shaikh," June 13, 2011.

# Program Status

The U.S. departments and agencies delivering development assistance in Pakistan are implementing programs in the areas of flood response; high-impact, high-visibility infrastructure; postcrisis and humanitarian assistance; education and health services; national and local governance; and security and legal institutions. The following sections update the status of the programs.

The U.S. Embassy reported that as of June 30, 2011, \$4.513 billion in FY 2009, 2010, and 2011 funds had been obligated to support the civilian assistance strategy (Table I). Of this total, the amount obligated in FY 2011 funds was \$416.6 million.

**Table I. Program Financial Status as of June 30, 2011**  
(\$ Millions)

Program	Manager	Obligations				Pipeline Amount*
		FY 2009	FY 2010	FY 2011	Total	
<b>Flood Response: Emergency Relief and Early Recovery</b>						
World Food Programme	USAID	–	144.0	95.8	239.8	–
Humanitarian programs – Office of Transition Initiatives, Pakistan’s National Disaster Management Authority, Pakistan Poverty Alleviation Fund, Rural Support Programmes Network	USAID	–	60.0	–	60.0	10.0
Humanitarian programs – Office of Foreign Disaster Assistance (OFDA)	USAID	–	215.9	–	215.9	28.6
Narcotics Affairs Section (NAS), U.S. Embassy	NAS	–	In-kind support	–	–	–
Pakistan Internally Displaced Persons	Political Affairs Section (POL), U.S. Embassy	–	49.3	–	49.3	–
Overseas Humanitarian, Disaster, and Civic Aid	Department of Defense (DOD)	–	113.0	–	113.0	5.0
<b>Subtotals</b>		<b>–</b>	<b>582.2</b>	<b>95.8</b>	<b>678.0</b>	<b>43.6</b>
<b>High-Impact, High-Visibility Infrastructure</b>						
International Trade Administration, Department of Commerce (DOC)	DOC	3.8	0.8	–	4.6	1.0
Foreign Agricultural Programs†	Department of Agriculture (USDA)	44.0	51.8	–	95.8	35.0

Program	Manager	Obligations				Pipeline Amount*
		FY 2009	FY 2010	FY 2011	Total	
USAID transfer to U.S. Trade and Development Agency (USTDA)†	USTDA	5.0	–	–	5.0	3.6
Federally Administered Tribal Areas (FATA) roads, bridges	NAS	15.0	–	–	15.0	11.4
FATA roads (Swat, Ring Road)	NAS	40.0	–	–	40.0	38.8
Energy†	USAID	125.0	91.5	–	216.5	138.2
Agriculture†	USAID	95.0	135.7	–	230.7	104.1
Economic growth†	USAID	166.0	61.3	–	227.3	209.6
<b>Subtotals</b>		<b>493.8</b>	<b>341.1</b>	<b>–</b>	<b>834.9</b>	<b>541.7</b>
<b>Focused Humanitarian and Social Services</b>						
Health/Water†	USAID	102.0	232.1	–	334.1	264.0
Health†	USAID	–	29.7	–	29.7	–
Education†	USAID	163.5	209.5	–	373.0	232.7
Humanitarian assistance†	USAID	209.0	325.0	–	534.0	84.8
Humanitarian programs – OFDA	USAID	103.0	18.2	111.8	233.0	54.9
World Food Programme	USAID	55.4	89.8	29.1	174.3	–
USAID transfer to the United Nations' (U.N.) Bhutto Commission	U.N.	1.0	–	–	1.0	–
Community Stabilization and Humanitarian Assistance Fund	DOD/ Department of State (DOS)	10.0	–	–	10.0	9.1
Mitigating Child Labor	Department of Labor	–	4.0	–	4.0	–
Mine Action – Response International	POL	0.5	–	–	0.5	0.2
Trafficking in Persons	POL	0.5	0.8	–	1.3	1.0
Pakistan Internally Displaced Persons	POL	59.6	42.0	29.2	130.8	10.7
Afghan Refugees	POL	76.8	80.5	16.9	174.2	55.2
Fulbright	PAS	19.5	19.5	19.5	58.5	20.0
Other exchanges	PAS	5.0	6.0	–	11.0	–
Public diplomacy operating expenses	PAS	2.0	2.0	–	4.0	–
<b>Subtotals</b>		<b>807.8</b>	<b>1,059.1</b>	<b>206.5</b>	<b>2,073.4</b>	<b>732.6</b>
<b>Government Capacity Improvement</b>						
Drug Enforcement Administration (DEA)	DEA	1.5	1.5	1.5	4.5	–
Energy programs	Department of Energy	66.6	94.2	68.6	229.4	65.0

Program	Manager	Obligations				Pipeline Amount*
		FY 2009	FY 2010	FY 2011	Total	
Immigration and Customs Enforcement	Department of Homeland Security	1.1	1.1	1.1	3.3	–
Federal Bureau of Investigation (FBI)/Legal Attaché Office	FBI	1.0	1.0	1.0	3.0	–
Democracy Rights Labor	POL	6.8	5.7	0.7	13.2	1.0
Democracy – National Endowment for Democracy	POL	4.3	3.4	1.2	8.9	3.0
Counternarcotics†	NAS	3.0	5.5	–	8.5	7.6
Border Security (Aviation)	NAS	37.0	52.0	–	89.0	51.0
Border Security (Commodities, Training)	NAS	0.2	–	–	0.2	11.0
Police/law enforcement training/rule of law†	NAS	51.0	106.6	–	157.6	146.7
Demand Reduction/Awareness†	NAS	0.5	1.5	–	2.0	2.1
Program development support†	NAS	9.8	4.4	–	14.2	–
Counterterrorism†	Regional Security Office (RSO), U.S. Embassy	11.8	17.0	–	28.8	15.4
Biosecurity Engagement	Economic Affairs Section, U.S. Embassy	12.5	16.0	17.5	46.0	16.7
U.S. Institute of Peace (USIP)	USIP	0.6	1.3	0.7	2.6	0.8
Democracy/Governance†	USAID	40.0	97.7	–	137.7	198.1
Office of Transition Initiatives†	USAID	68.0	23.4	–	91.4	21.4
USAID transfer to USAID/OIG†	USAID/OIG	–	2.0	4.8	6.8	–
Commercial Law Development Program	DOC	–	–	1.0	1.0	–
<b>Subtotals</b>		<b>315.7</b>	<b>434.3</b>	<b>98.1</b>	<b>848.1</b>	<b>539.8</b>
<b>Other Programs</b>						
Strategic communications	DOD	7.0	7.0	7.0	21.0	–
Strategic communications†	PAS	30.9	17.8	9.2	57.9	28.5
<b>Subtotals</b>		<b>37.9</b>	<b>24.8</b>	<b>16.2</b>	<b>78.9</b>	<b>28.5</b>
<b>Totals</b>		<b>1,655.2</b>	<b>2,441.5</b>	<b>416.6</b>	<b>4,513.3</b>	<b>1,886.2</b>

Source: U.S. Embassy Islamabad.

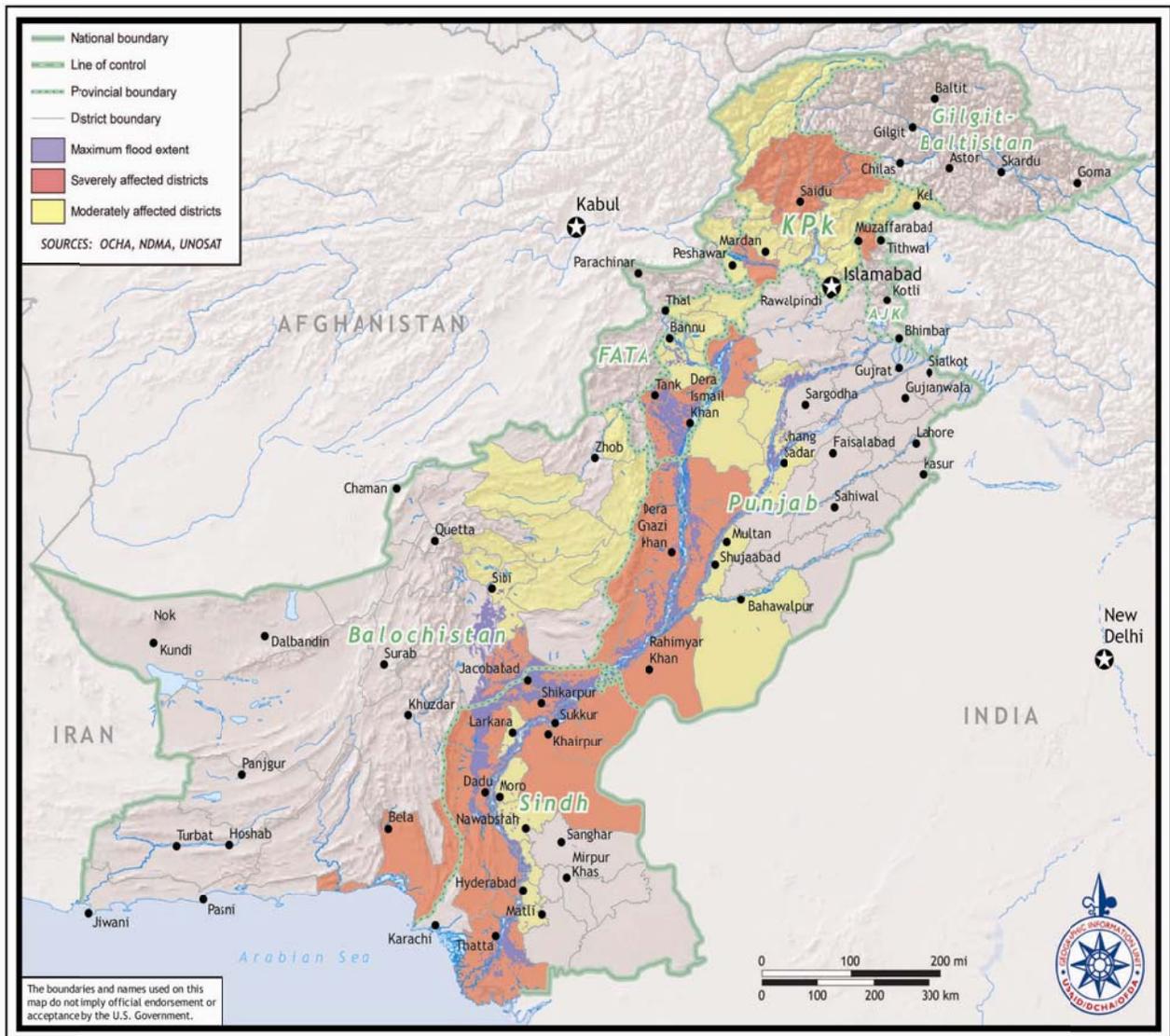
\* The Embassy provided pipeline amounts that capture unspent funds from FYs 2002–11. These amounts are not comparable to FY 2009, 2010, and 2011 obligations or accurate indicators of expenditures for those years.

† The final FY 2011 spending plan has not yet been approved by congressional committees and has not yet been released for obligation, with the exception of the Fulbright Program and other exchange programs.

## Flood Response

Pakistan experienced the worst floods in nearly 100 years during August and September 2010. The flooding affected over 20 million people, caused approximately 1,980 deaths, and destroyed or damaged about 1.7 million houses. The map below shows areas affected by the flooding.

**Figure 2. Flood Map of Pakistan**



Source: USAID's Office of Foreign Disaster Assistance, Geographic Information Unit.

In response, the U.S. Government has been working closely with the Government of Pakistan and the international community as assistance efforts have moved from relief to recovery and reconstruction. Table 2 lists USAID's 19 flood assistance programs, along with status and funding details. These

programs also appear under the corresponding assistance categories: high-impact, high-visibility infrastructure and immediate post-crisis and humanitarian assistance.

**Table 2. USAID’s Flood Assistance Programs as of June 30, 2011**

<b>Implementing Partner</b>	<b>Program Description</b>	<b>Status and Funding</b>
U.N. Population Fund (UNFPA)	Reproductive health and hygiene kits for women in flood-affected areas	Completed in June 2011; \$6 million; 100% of health and hygiene kits supplied
Mennonite Economic Development Associates	Entrepreneurs Program supporting women’s microenterprises in vulnerable areas	Completed flood component of program in June 2011; \$1.5 million; grants, equipment, and agricultural inputs distributed to 39,000 beneficiaries; 28,970 animals vaccinated against foot and mouth disease
Aga Khan University	Mobile health teams and nutritional support in flood-affected areas	Completed in December 2010; \$6.4 million; program extended until December 2011
World Health Organization (WHO) and U.N. Children’s Fund (UNICEF)	Immunizations for polio and measles in flood-affected areas	Completed; \$5.6 million
Provincial Governments	Municipal Services Delivery Program rehabilitating flood-affected infrastructure	In progress; \$10 million; assessments completed; rehabilitation work in process
International Organization for Migration (IOM)	Capacity building and procurement of relief supplies for the National Disaster Management Authority	In progress; \$5.8 million; program expected to be completed in December 2011
U.N. Food and Agriculture Organization (FAO)	Seed and fertilizer distribution to flood-affected farmers in Khyber Pakhtunkhwa, Punjab, and Balochistan	In progress; \$62 million (\$47 million from USAID/Pakistan and \$15 million from USAID/OFDA)
Rural Support Programmes Network	Procurement and distribution of replacement crops for flood-affected households in Sindh	In progress; \$15 million; second tranche of cash for work will be disbursed after the harvest; 80% of harvesting is complete
Chemonics	Firms Project assisting small and medium-sized enterprises in areas vulnerable to conflict to make the businesses internationally competitive	In progress; \$11.5 million; \$750,000 distributed to 239 hotels and fisheries
John Snow Inc.	Deliver Project—renovation of flood-affected tuberculosis facilities and restocking their medicines and equipment	In progress; \$7.2 million; orders placed for medicines and equipment; awaiting delivery
APEX Consulting	Monitoring of USAID-funded flood assistance activities in Sindh	In progress; \$150,000; completion expected in November 2011
Community Uplift Program	Monitoring of USAID-funded flood assistance activities in Balochistan	In progress; \$150,000; completion expected in November 2011
Voice Tel Tech	Monitoring of USAID-funded flood assistance activities in Punjab and Khyber Pakhtunkhwa	In progress; \$150,000; completion expected in November 2011
Aurat Foundation	Gender Equity Program	In progress; \$374,410 for flood-related projects; 23 grants awarded

<b>Implementing Partner</b>	<b>Program Description</b>	<b>Status and Funding</b>
National Rural Support Programme	Small Grants Program for unsolicited proposals and Chief of Mission Fund	In progress; \$1.1 million for flood-related projects; 19 grants awarded
Government of Pakistan (Cabinet Secretariat; National Database and Registration Authority)	Citizen's Damage Compensation Program for assistance to flood-affected households	In progress; \$190 million; grant agreement signed between the Pakistani Government and USAID on June 9, 2011; distribution of funds requires independent verification of intended beneficiaries
Provincial Governments	Basic Education Program providing support to flood-affected schools	In progress; \$90 million for flood-affected schools
Government of Pakistan, FATA Secretariat, and Frontier Works Organization	Quick Impact Program in South Waziristan	In design; \$24.5 million for flood-damaged roads and bridges; Secretary certification submitted to Congress*
Government of Khyber Pakhtunkhwa; Provincial Reconstruction, Rehabilitation and Settlement Authority	Malakand Reconstruction and Recovery Program	In design; \$40.5 million (\$18 million for irrigation systems repair in Swat, \$22.5 million for roads and bridges rehabilitation in Malakand); Secretary certification submitted to Congress*

Source: USAID/Pakistan.

\* The Consolidated Appropriations Act, 2010, Public Law 111-117 (Dec. 16, 2009), makes funds available for government-to-government assistance to Pakistan only if the Secretary of State certifies "that the U.S. Government and Pakistan have agreed, in writing, to clear and achievable goals and objectives for the use of the funds, and have established mechanisms within each implementing agency to ensure that the funds will be used for the purpose for which they are intended."

In addition to identifying flood-related programs, USAID described initiatives that benefit flood victims:

- On June 9, 2011, USAID signed an agreement with the Government of Pakistan regarding the U.S. contribution to the Citizen's Damage Compensation Program. Through the fund, the Pakistani Government will provide cash support to families that lost houses or had their livelihoods diminished because of the floods.
- The U.S. Mission in Pakistan has identified up to \$500 million in FY 2009 and FY 2010 funds that are being reprogrammed to support the Government of Pakistan's flood recovery efforts. Of the \$500 million, \$136 million in FY 2010 funds is pending final congressional approval.
- With part of the \$500 million in reprogrammed funding, the Entrepreneurs Program is providing support to 39,000 mostly women-headed families affected by the floods for livelihood recovery.

## High-Impact, High-Visibility Infrastructure

As the name implies, this category of assistance is intended to make a big difference in the Pakistani economy, a difference that improves people's livelihoods quickly, noticeably, and directly. The sectors in which infrastructure programs are most critical are energy, transport, and agriculture—energy because

all businesses rely on it; transport because roads and bridges connect communities to markets and enhance mobility; and agriculture because it employs 60 percent of the population and consumes 90 percent of the country’s increasingly scarce water resources, which need to be better managed. Chronic periodic shortages of both power and water limit economic growth, as does inadequate infrastructure for agroenterprise. USAID, the U.S. Department of Agriculture (USDA), and the U.S. Embassy’s Public Affairs Section (PAS) support programs under this category of assistance.

USAID has 22 high-impact, high-visibility programs—19 under way and 3 in the design and planning stages. To meet growing energy demands, USAID’s programs in this assistance category seek to help the Government of Pakistan supply hydropower through the completion of the Gomal Zam and Satpara Dams and the rehabilitation of the Tarbela Dam. USAID’s current programs also support Pakistan’s provincial governments with water management and irrigation for agriculture and sanitation; health facilities; and the delivery of municipal services. Table 3 lists USAID’s programs along with status details.

**Table 3. USAID’s High-Impact, High-Visibility Infrastructure Programs as of June 30, 2011**

<b>Implementing Partner</b>	<b>Program Description</b>	<b>Status</b>
Water and Power Development Authority (WAPDA)	Satpara Dam—hydropower and irrigation	Current; agreement signed January 7, 2011; Secretary certification submitted to Congress;* construction ongoing after evaluation showed dam was safe
WAPDA	Gomal Zam Dam—hydropower and transmission line completion	Current; Secretary certification submitted to Congress;* 95% of concrete dam work and 40% of the transmission line completed
WAPDA	Gomal Zam Dam—irrigation for agriculture	Current; Secretary certification submitted to Congress;* Pakistani Government-funded construction started; environmental assessment required before USAID-funded construction begins
WAPDA	Tarbela Dam—hydroelectric power station rehabilitation	Current; 2 of 3 new power units arrived, and installation of first unit almost complete
Ministry of Water and Power, Power Generation Company (GENCO I)	Jamshoro thermal power station repair and maintenance	Current
GENCO II	Muzaffargarh thermal power station repair and maintenance	Current
International Resources Group	Irrigation Tubewell Efficiency Improvement Project	Current; first 250 tubewells under pilot program completed Nov. 2010; 907 farmers placed orders for motor-pump sets, and 666 sets replaced, reducing energy demand by 3.68 megawatts
Provincial Government of Sindh	Water supply and sanitation programs in Jacobabad	Current; water and field assessments under way

<b>Implementing Partner</b>	<b>Program Description</b>	<b>Status</b>
Provincial Government of Khyber Pakhtunkhwa	Water supply and sanitation programs in Peshawar	Current; engineering assessment of system for water supply distribution completed; engineering assessment of sanitation system and initial field assessments under way; work commencing on establishing Water and Sanitation Authority in Peshawar
Ministry of Health and Provincial Government of Punjab	Lady Willingdon Hospital	Current; Secretary certification submitted to Congress;* most rehabilitation plans complete, and construction of swing modular space in process
Ministry of Health and Provincial Government of Sindh	Jacobabad Civil Hospital	Current; Secretary certification submitted to Congress;* initial assessment complete and detailed assessment under way;
Ministry of Health and Provincial Government of Sindh	Jinnah Postgraduate Medical Center OB-GYN/Fistula Ward	Current; Secretary certification submitted to Congress;* assessment and design complete, and ground-breaking ceremony held in April;
Winrock International	Karachi warehouse to store immunization and other medical supplies	Current; completion of construction expected by July 10, 2011
Habib-Rafique (Pvt.) Ltd./CDM Constructors, Inc.	Construction of Parliamentary Institute	Current; on schedule for completion in October 2011
Provincial Governments of Sindh and Khyber Pakhtunkhwa	Municipal Services Delivery Program	Current
IOM, Creative Associates, Internews	Pakistan Transition Initiative in FATA/Quick Impact Infrastructure in FATA	Current; disbursing funds; 1,600 activities under way or completed, including 400 village water systems, 225 flood walls, and 150 school renovations, generating 1.5 million person-days of employment
Government of Pakistan, FATA Secretariat, Frontier Works Organization	Quick Impact Program in South Waziristan (road, water, and electricity)	Current; additional funds disbursed in May-June 2011 for reconstruction of flood-affected roads and bridges
Provincial Government of Khyber Pakhtunkhwa and Provincial Reconstruction, Rehabilitation and Settlement Authority	Malakand Reconstruction and Recovery Program (schools, health, water and sanitation, government capacity)	Current; construction work under way on 81 schools; furniture, equipment, and instruments provided to 17 health facilities
Pakistan Broadcasting Corporation	Radio transmission support to Khyber Pakhtunkhwa and FATA	Current; back on track after delay caused by collapse of one radio tower
Ministry of Food and Agriculture	High-Efficiency Irrigation Systems Program to improve water management	Under redesign: funding delayed at Government of Pakistan's request
GENCO III	Guddu thermal power station repair and maintenance	In design; Government of Pakistan amending the scope of work

<b>Implementing Partner</b>	<b>Program Description</b>	<b>Status</b>
WAPDA	Wind-power generation project in Sindh	Planning stage; statement of intent signed in January 2011; Government of Pakistan seeking land rights (Overseas Private Investment Corporation also funding project)
Provincial Government of Balochistan	Balochistan surface water management (agriculture)	Cancelled

Source: USAID/Pakistan.

\* The Consolidated Appropriations Act, 2010, Public Law 111–117 (Dec. 16, 2009), makes funds available for government-to-government assistance to Pakistan only if the Secretary of State certifies “that the U.S. Government and Pakistan have agreed, in writing, to clear and achievable goals and objectives for the use of the funds, and have established mechanisms within each implementing agency to ensure that the funds will be used for the purpose for which they are intended.”

In response to USAID OIG’s request for information on the progress of these programs, USAID provided its recently approved performance indicators. USAID also noted that progress on the indicators may be reported quarterly instead of results, since some results may take several quarters to achieve.

USAID provided the following approved FY 2011 indicators to be tracked and reported on:

- Megawatts of energy added as a result of U.S. Government-sponsored construction and rehabilitation efforts (target: 625 megawatts; result: 193 megawatts).
- Increase in the supply of fuel by the Government of Pakistan to higher-efficiency power plants (target: fuel savings estimated at 150,000 barrels of oil; result: 116,000).
- Number of schools and health facilities constructed with U.S. Government assistance (target: 20; pending result).

USAID reported the following examples of progress and success in its portfolio of agriculture and energy programs:

- USAID/Pakistan’s Agriculture Office is preparing agreements with the Government of Pakistan, along with the necessary environmental assessments, to enhance water storage capacity and bring 191,000 acres under irrigation around the Gomal Zam Dam. USAID expects that \$40 million will be obligated for this activity.
- Progress has been made on the six signature energy projects that Secretary Clinton announced in October 2009 involving rehabilitation and construction of hydro and thermal plants. USAID has received claims for reimbursement worth \$45.25 million, of which \$33.87 million has been reimbursed to the Government of Pakistan since January 2011.
- Fixed-amount reimbursement agreements for the thermal plants in Guddu, Muzaffargarh, and Jamshoro have been amended, and construction work is now in progress at Muzaffargarh and Jamshoro.

**USDA.** USDA’s programming in this category focuses on modernizing agricultural infrastructure. In February 2010, USDA announced a \$30 million Food for Progress grant agreement with a U.S.-based nongovernmental organization (NGO) to implement the Pakistan Agriculture and Cold Chain Development Project. The project, in the Balochistan Province of southwest Pakistan, seeks to improve food quality and supply, realize higher prices for producers, and deliver a higher-value product to consumers. Implementation of the project has begun, and initial activities include acquiring investments, introducing value-chain financing for apples and potatoes (financing for all the actors involved in getting these products to the market, from input suppliers to producers and processors to exporters and buyers), and linking traditional horticultural producers with domestic markets.

As reported last year, USDA’s agricultural investment strategy for Pakistan was reviewed and approved by an interagency team and the U.S. House of Representatives Committee on Appropriations. Assisted by a \$19 million transfer from USAID last quarter, USDA—along with the Ministry of Food and Agriculture and its international implementing partners—has begun to carry out the initial stage of the strategy.

**PAS.** PAS programs seek to expand media engagement, counter extremist voices, build communications capacity, and strengthen people-to-people engagement. During the period, PAS continued with its project to construct two AM radio transmitter towers in Khyber Pakhtunkhwa and FATA with a USAID contractor, despite delays caused by a collapsed tower at one of the sites.

PAS also reported the cancellation of two projects. PAS and USAID cancelled the project to build the National Data Center for Pakistan because of a lack of staff to implement the project and months-long delays by both the U.S. and Pakistani Governments in producing key project approval documents. Likewise, because of a lack of staff and severe security-related restrictions on Mission activities, PAS and USAID have cancelled plans to construct an AM radio transmitter for Radio Pakistan that was intended to serve the province of Balochistan.

## **Focused Humanitarian and Social Services: Immediate Postcrisis and Humanitarian Assistance**

Through international relief agencies and local institutions, the U.S. Government channels assistance for people affected by natural disasters or by military operations in Waziristan and other areas along the border with Afghanistan. In addition, the U.S. Government supports the Government of Pakistan’s efforts to provide basic health, education, and other services; rehabilitate infrastructure; and create jobs. USAID manages the largest U.S. Government humanitarian assistance programs in Pakistan.

During the reporting period, USAID had 26 programs for immediate postcrisis and humanitarian assistance—2 completed, 23 under way, and 1 in the planning stage. Programs provided cash transfers for assistance with housing damage and grants to continue to supply safe drinking water, nutritional support, and health and hygiene kits to flood-affected areas. Table 4 lists the status of USAID’s programs for postcrisis and humanitarian assistance.

**Table 4. USAID's Postcrisis and Humanitarian Assistance Programs as of June 30, 2011**

<b>Implementing Partner</b>	<b>Program Description</b>	<b>Status</b>
UNFPA	Reproductive health and hygiene kits for women in flood-affected areas	Completed in June 2011; 100% of health and hygiene kits distributed
WHO and UNICEF	Immunizations for polio and measles in flood-affected areas	Completed; vaccination campaign held in January 2011 in 30 flood-affected districts; 8.8 million children and women received polio and measles vaccinations
FAO	Seed and fertilizer distribution to flood-affected farmers in Khyber Pakhtunkhwa, Punjab, and Balochistan	Current; distribution of supplies completed; cash-for-work component (cleaning watercourses) ongoing
FAO	Assistance to Balochistan to improve livelihoods and food security	Current; funds more than half disbursed
Rural Support Programmes Network	Procurement and distribution of replacement crops for flood-affected people in Sindh (sunflower seeds)	Current; seeds and fertilizer distributed; cash-for-work component ongoing
Government of Pakistan	Cash transfer to assist internally displaced persons (IDPs) in Khyber Pakhtunkhwa	Current; rupees distributed to beneficiaries; awaiting financial audit and reporting from Government of Pakistan
Provincial Reconstruction, Rehabilitation and Settlement Authority	Cash transfer for housing damage assistance for Khyber Pakhtunkhwa and FATA	Current; disbursed \$25 million in rupees for 9,500 families; monitoring and helping build the partner's capacity to implement the program
Government of Pakistan	Cash transfer for the Benazir Income Support Program	Current; distributed \$75 million in rupees to households; continuing to monitor the program
Aga Khan University	Mobile health teams and nutritional support in flood-affected areas	Current; health camps operational in 25 sites in three provinces
World Bank	Multi-Donor Trust Fund for reconstruction in border areas, a portion of which will be used to repair flood-damaged facilities	Current; funds disbursed to World Bank; three projects to begin soon (livelihoods and economic opportunity)
IOM	Capacity-building and procurement of relief supplies for flood-affected people on behalf of the National Disaster Management Authority	Current; extended through December 2011
Chemonics	Firms Project assistance to small and medium-size enterprises in areas vulnerable to conflict to make the businesses internationally competitive	Current; first dry mango product retailed in U.S. market in Dec. 2010; \$750,000 distributed to Swat hotels and fisheries damaged by floods
CHF International, Inc.	Livelihood Development Program in lower FATA	Current; \$60 million disbursed
Associates in Development	South Waziristan Agency Monitoring and Evaluation Contract	Current

Implementing Partner	Program Description	Status
CDM Constructors, Inc.	Pakistan Reconstruction Project (earthquake)	Current; 25 schools and 15 health units completed; 36 schools and one hospital pending
Winrock International	Community Rehabilitation Infrastructure Support Program	Current
KPMG Taseer Hadi	Accelerated capacity building of the Provincial Reconstruction, Rehabilitation and Settlement Authority	Current
UNICEF	Child Protection Center	Current
Mennonite Economic Development Associates	Entrepreneurs Program supporting women's microenterprises in vulnerable areas	Current; over 48,700 households received microgrants; 70,000 female microentrepreneurs received training in financial literacy
Government of Pakistan	Citizen's Damage Compensation Program for assistance to flood-affected households	Current; USAID signed agreement in June 2011 and distributed \$190 million to the Pakistani Government; government to verify beneficiaries before releasing rupees
U.N. Secretariat	Support for the Office of the Special Envoy of the Secretary General for Assistance to Pakistan	Current
John Snow Inc.	Deliver Project—renovation of flood-affected tuberculosis facilities, restocking of their medicines and equipment, and strengthening the delivery of services	Current
APEX Consulting	Monitoring of USAID-funded flood assistance activities in Sindh	Current; completion expected in November 2011
Community Uplift Program	Monitoring of USAID-funded flood assistance activities in Balochistan	Current; completion expected in November 2011
Voice Tel Tech	Monitoring of USAID-funded flood assistance activities in Punjab and Khyber Pakhtunkhwa	Current; completion expected in November 2011
To be determined	Support to families and communities that suffer losses as a result of military operations	Planning stage

Source: USAID/Pakistan.

In response to USAID OIG's request for information on the progress of these programs, USAID provided its performance indicators, along with targets as available.

- Health camps established for flood victims (target as set forth in the agreement: 50 health camps).
- Increased availability of reproductive health supplies and services for flood-affected populations (target as set forth in agreement with UNFPA: 12 flood-affected districts supplied with life-saving reproductive health supplies, benefiting over 25,000 people).

- Provide measles vaccinations to children in flood-affected areas (target as set forth in the agreement: 8 million; includes vaccinations for measles, polio, tuberculosis [Bacillus Calmette-Guérin], tetanus, and pentavalent).
- Supplementary livestock feeding and supplies (target as set forth in the agreement: 50,000 beneficiaries in four provinces).
- Desilting of farm irrigation infrastructure (target as set forth in the agreement with the U.N. Food and Agriculture Organization [FAO]: 90,000 households in Balochistan assisted with desilting).
- Number of beneficiaries assisted by USAID-supported humanitarian assistance for victims of conflict and natural disasters (target: 11 million Pakistanis assisted through distribution of emergency relief, health supplies, and agricultural inputs to flood-affected farmers in Balochistan, Khyber Pakhtunkhwa, Punjab, and Sindh).

USAID also reported the following examples of progress and success in its immediate postcrisis and humanitarian assistance programs:

- USAID's \$62 million in assistance to flood-affected, vulnerable farmers is achieving results in Khyber Pakhtunkhwa, Punjab, and Balochistan. In Khyber Pakhtunkhwa, for instance, program beneficiaries reported a 75 percent increase in wheat yield (1,750 kilograms per acre from 1,000 kilograms in the previous year) from the use of inputs provided under the program. The following factors contributed to the increase in yield: improved high-quality seed, high-quality fertilizer, timeliness in the delivery of USAID inputs, and frequent rains. Consequently, farmers can expect higher yields for at least the coming 3 years.
- The Firms Project is working with mango farmers to maximize their yields, improve product quality, and implement better handling and packaging techniques to reach new markets. Private-public partnerships were established with 15 farmers, with USAID providing mango-processing lines, blast chillers, and cold storage equipment under the agreement. A similar fifty-fifty cost-sharing arrangement assists farmers in acquiring Global Good Agricultural Practice (G.A.P.) certification, which will make their mangoes more competitive on the global market. The project has trained 273 government agricultural extension workers and even more small farmers in rural Punjab and Sindh to improve orchard care and harvesting techniques. In the farms where the project has provided assistance and support, the following results have been achieved:
  - Full-time employment for men increased from 284 to 328, and for women from 10 to 30.
  - Part-time employment for men increased from 1,350 to 1,430, and for women from 70 to 100.
  - Average price per ton (local sales) increased from \$23,897 to \$26,757.
  - Average price per ton (export sales) increased from \$52,750 to \$85,000.
  - Value-added products, such as pulp and dried mangoes, were introduced.
- Last quarter, USAID completed its \$2 million maternal and child health program focused on safe drinking water in flood-affected areas. The program, implemented by UNICEF, delivered substantial results. It reached 502,813 beneficiaries through 8,300 training sessions on water treatment along with the distribution of water treatment products.

## Focused Humanitarian and Social Services: Increased Access to and Quality of Education and Health Services

This category of assistance aims to provide quality education and health services to underserved populations, particularly those living in areas likely to come under the sway of extremist groups. In education, programs intend to reconstruct damaged schools, improve facilities, bring more girls into the classroom, and improve teachers' skills. In health care, the goals are to improve maternal and child care; provide family planning services; and prevent and treat diseases such as hepatitis, polio, and tuberculosis. USAID is the primary U.S. Government agency contributing to this area of assistance; USDA and PAS also manage programs in this area.

USAID has 20 programs to support education and health services—1 was recently completed, 16 are under way, and 3 are in the planning stage. These programs focus on improvement in basic and higher education, maternal and child health, family planning, and polio eradication. Table 5 lists USAID's programs for education and health.

**Table 5. USAID's Programs for Education and Health Services as of June 30, 2011**

Implementing Partner	Program Description	Status
Pathfinder International	Involvement of religious leaders in health and development, extending service delivery	Completed in June 2011
Forman Christian College	Construction of a 360-bed women's hostel	Current; signed follow-on agreement to build a women's hostel on campus
Education Development Center (Replacement for the Academy for Educational Development)	Pre-Service Teacher Education Program	Current; ongoing for 2 years; 600 teachers received scholarships for training; more than 40 faculty members at a teacher-training college being sent to the United States for Ph.D. degrees
American Institutes for Research	Links to Learning—Education Support to Pakistan	Current; 6,658 primary and middle school teachers trained, and 150 conflict-damaged schools renovated in Malakand and 1,190 schools nationally; program is contributing to flood recovery
Rafi Peer Theatre Workshop	Children's Television Program providing interactive teaching and learning	Current; first nationwide broadcast in Urdu scheduled for October 2011, incorporating gender through lead female character, Rani
National Academy of Sciences	Pakistan and U.S. Science and Technology Cooperation	Current; provided \$5 million this quarter
American University Washington College of Law	Collaborative capacity building for human rights and gender	Current
Government of Pakistan	Budget support to Higher Education Commission	Current; \$42.5 million in rupees disbursed and agreement reached on program content
Government of Pakistan	Fulbright scholarships (through DOS)	Current; funding disbursed

<b>Implementing Partner</b>	<b>Program Description</b>	<b>Status</b>
Population Council	Family Advancement for Life and Health Program for the diversification of family planning activities	Current; activities in 26 districts in four provinces to be completed in December 2011
Commodities Supply and Logistics—multiple implementing partners	Contraceptive commodities for the Ministries of Health and Population Welfare	Current; contraceptive commodities ready for distribution to provinces and districts; working with warehouses to streamline the supply and distribution system
John Snow, Inc.	Contraceptive logistic support	Current; commodity procurement plan completed; software prepared for the logistic management information system
UNICEF, WHO	Polio eradication initiative	Current; five polio campaigns conducted
Royal Netherlands Tuberculosis Association (Koninklijk Nederlandsche Centrale Vereeniging, or KNCV)	Tuberculosis Control Assistance Program and National Prevalence Survey	Current; tuberculosis prevalence survey to be completed by December 2011
Centers for Disease Control and Prevention	Pakistan Field Epidemiology and Laboratory Training Program	Current; last group of epidemiologists to complete training this year
Health Services Academy of Pakistan, Technical Advisory Unit	Developing and strengthening institutional capacity in public health training and research	Current; working with Pakistani Government and provinces to prepare Ministry of Health's plan for devolution
Save the Children	Improve children's health in FATA	Current
Provincial Governments	Basic education support to provincial governments	Planning stage; in negotiations with Sindh to include in program design the reconstruction of flood-affected schools, training, and capacity building
National Institute of Population Studies (Pakistan)	Demographic and Health Survey	Planning stage; the Government of Pakistan approved the proposed activity and planning document
Government of Pakistan	Maternal and child health, family planning, and immunizations	Planning stage

Source: USAID/Pakistan.

In response to USAID OIG's request for information on the progress of these programs, USAID provided its performance indicators. USAID also noted that progress on the indicators may be reported quarterly instead of results, because some results may take several quarters to achieve. However, no information on progress on the indicators was reported for the fiscal quarter.

USAID identified the following approved FY 2011 indicators to be tracked and reported on:

- Improved educational facilities.
- Increased access to high-quality learning materials.
- Improved student performance assessment.
- Improved teaching skills of teachers.

- Increased supply of clean drinking water.
- Number of children under 5 who have received oral polio vaccine through U.S. Government support.
- Number of children under 1 who have received a measles vaccination through U.S. Government support.

USAID reported the following examples of progress and success in its education and health programs:

- Planning and implementation discussions involving USAID, the Ministry of Health, and provincial governments continue to ensure that Pakistani Government priorities are incorporated into all programmatic decisions.
- A new cooperative agreement has been signed with the Education Development Center as the primary implementing partner for the Pre-Service Teacher Education Program to continue the reforms initiated by the Academy for Educational Development when it managed the program. A subaward to the Teacher's College at Columbia University for technical assistance has been completed.
- USAID signed an agreement with the Foreman Christian College to build a new 360-bed hostel for women on campus.
- USAID agreed with the Higher Education Commission on the uses of the \$45 million cash transfer and signed a project implementation letter making \$42.5 million in rupees available for use.

Despite the aforementioned successes, USAID reported problems that continue to affect the implementation of its education and health programs:

- The Government of Pakistan does not have an approved health policy to guide and prioritize government or donor response to Pakistan's needs, complicating the design of health programs. Although a draft national health policy document was finalized, the government still has not formally adopted it.
- As a result of the 18th Amendment to the Constitution of Pakistan, responsibilities in the health sector were to be devolved to provincial governments by June 30, 2011. However, the Ministry of Health has not yet clarified what will be devolved, when, and how. Guidance from the Government of Pakistan is insufficient on the expected roles and responsibilities of federal, provincial, and district government actors in the health sector. The Government of Pakistan is developing these operational procedures and practices, which differ among provinces because of differences in their institutional capacity. With numerous government actors operating in this sector, challenges arise related to communication, coordination, and competition for funding.

**USDA.** USDA's programming in this category consists of the Food for Education Program, which supports increased access to and quality of education and health services. To implement the program,

USDA awarded Land O'Lakes and the World Food Programme (WFP) grants totaling an estimated \$17 million to fund activities until June 2013. Under these two grants, USDA will supply an estimated 6,540 metric tons of commodities to feed schoolchildren and an estimated \$6 million to implement rehabilitation projects and capacity-building measures for schools. USDA signed a Food for Education grant agreement with Land O'Lakes in early September 2010, and in late January 2011, Land O'Lakes received its first year's supply of cooking oil. In early March, the cooking oil was distributed to female students in primary public schools as an incentive to families to send their daughters to school. The oil was also distributed through health units in the Jacobabad District to pregnant and lactating mothers.

**PAS.** As previously reported, PAS has two major programs that contribute to increased access to and quality of education services. PAS supports a \$35.7 million slate of academic and professional programs designed to provide enhanced educational and professional skills, leadership training, and connections with the United States for more than 6,000 Pakistanis. These programs range from short-term (3-week) International Visitor Leadership Program exchanges to full academic degree programs, including English Access Microscholarships that reach thousands of disadvantaged youth. In addition, PAS sponsors a \$16.4 million program of Fulbright exchanges, which over a period of years should increase substantially the number of faculty at Pakistani colleges and universities with master's and doctoral degrees. With the cancellation of PAS-managed infrastructure projects, PAS is working to transfer the remaining funds to sustain its exchange programs and grants, including undergraduate and professional exchanges, for 1 to 3 additional years.

## Government Capacity Development: Improved National and Local Governance

Programs in this category are intended to build capacity at the national, provincial, and local levels—particularly in targeted vulnerable areas—to provide basic municipal services, promote civil society advocacy and oversight, improve the administration and conduct of elections, improve the responsiveness of political parties, promote greater gender equity, and strengthen systems for accountability and transparency in public expenditures. USAID, USDA, the U.S. Department of Commerce (DOC), and PAS have programs to strengthen government capacity and improve governance.

USAID has 26 programs to improve government capacity at the national and local levels—1 completed during the quarter, 23 under way, and 2 in the planning stage. USAID's programs in this category of assistance support improvements in governance through a hotline for the public to register complaints and assistance with developing an energy plan and energy and economic policy. USAID's programs also include civil society support. One program was cancelled this quarter when USAID consolidated its portfolio of programs. Table 6 lists the status of USAID's programs for national and local governance.

**Table 6. USAID’s Programs to Improve National and Local Governance  
as of June 30, 2011**

<b>Implementing Partner</b>	<b>Program Description</b>	<b>Status</b>
International Foundation for Electoral Systems	Election Support Program	Completed
Transparency International	Anti-Fraud Hotline	Current
Transparency International	Anticorruption and Public Awareness Program	Current
International Republican Institute	Three nationwide polls	Current; data from second poll being collected; results to be compiled in late summer
Aurat Foundation	Gender Equity Program	Current; 32 grants totaling \$1.7 million awarded to Pakistani Government and NGOs
National Rural Support Program	Small Grants Program for unsolicited proposals and Chief of Mission Fund	Current; 27 grants totaling \$2.18 million awarded for community initiatives
Development Alternatives, Inc.	FATA Capacity Building Program	Current; designing Phase II to continue under new contract with a Pakistani organization
International Resources Group and WAPDA	Pakistan Energy Indefinite Quantity Contract to provide policy reform advisers to support the USAID-Government of Pakistan energy partnership	Current; funds providing technical assistance to support both the Power Distribution Improvement Program and the Tubewell Efficiency Improvement Program
International Resources Group/Pakistan Electric Power Company	Power Distribution Improvement Program to improve management capacity, financial systems, billings, and collections of distribution companies	Current; completed operational audits and recommended improvement plans for Pakistan’s eight distribution companies
Dairy and Rural Development Foundation (cofinanced by Nestle Pakistan and USAID)	Dairy Development Initiative/Rural Development Fund to improve milk production and marketing	Current; now introducing management systems to reduce high-risk classification
U.S. Geological Survey	Work with the Ministry of Petroleum and Natural Resources to assess conventional and unconventional gas reserves	Current
Advanced Engineering Associates International	Provide technical support for energy policy and capacity building, and provide technical and engineering support for USAID-funded infrastructure projects implemented by the Pakistani Government	Current
USDA	Improve production and marketing of commodities, enhance Government of Pakistan research and extension work, help eradicate agricultural diseases	Current; agreement signed and funds transferred to USDA
Deloitte Consulting, LLC	Improve customs procedures and Pakistani Commercial Service to increase exports and trade at the Afghan border	Current; approximately 25 percent of funds disbursed
Ministry of Finance	Competitive Support Fund advisers provide technical assistance on policy decisions, regulatory frameworks, and public-private partnerships	Current; funds being disbursed and preparations made for extension through November 2011

<b>Implementing Partner</b>	<b>Program Description</b>	<b>Status</b>
U.S. Department of the Treasury	Tax, debt, and banking regulation advisers to the Government of Pakistan	Current; funds transferred to U.S. Treasury
Multiple implementing partners (blanket purchasing agreement)	Technical advisers embedded in Ministry of Health and provincial units	Current
U.S. Institute for Peace	Religious tolerance	Current
Management Sciences International	USAID/Pakistan missionwide monitoring and evaluation program	Current; contract awarded in June 2011
Trust for Democratic Education and Accountability	Citizen Voice and Accountability Program	Current; awarded May 2011
International Food Policy Research Institute	Pakistan Strategy Support Program to strengthen evidence-based policy analysis for food security and macroeconomic stability	Current; agreement signed this quarter
To be determined	Political Party Development Program	In negotiations; applications received; agreement in final negotiations
Election Commission of Pakistan	Building the election commission's capacity to maintain credible, accurate, and current electoral rolls	In negotiations; draft assistance agreement under review
U.S. Department of Commerce	Commercial Law Development Program to provide advisers to support gem and mineral markets	In negotiations
Government of Pakistan, Ministry of Finance	Program to provide access to finance for small and medium-sized enterprises	Planning stage
To be determined (Pakistani organization)	Media campaign to promote positive perceptions of the United States by improving Pakistanis' awareness and understanding of U.S. assistance activities	Planning stage
Ministry of Technology	eGovernance, National Data Center	Cancelled

Source: USAID/Pakistan.

In response to USAID OIG's request for information on the progress of these programs, USAID provided its performance indicators. USAID had also noted that progress on the indicators may be reported quarterly instead of results, since some results may take several quarters to achieve. However, no information on progress on the indicators was reported for the fiscal quarter.

USAID provided the following approved FY 2011 indicators to be tracked and reported on:

- Improved energy sector governance (one measurement being progress on the scorecard for the Electricity Governance Initiative Index).
- Improved economic governance.
- Improved governance of basic education.
- Improved governance of provincial health departments.

- Number of U.S. Government-assisted civil society organizations that demonstrate active participation in government decision-making processes.

In addition, USAID provided examples of progress and success in its governance assistance programs:

- The Small Grants Program through the Ambassador's Fund distributed more than 27 grants totaling \$2.18 million for community initiatives throughout Pakistan. Initiatives include improving local water systems, refurbishing schools affected by the 2010 floods, installing solar panels, conducting grassroots public health projects, and providing seeds and supplies to rural farmers.
- The Gender Equity Program awarded 32 grants totaling nearly \$1.7 million to Pakistani NGOs and Pakistani Government organizations to support women in crisis, initiate research and devise a national strategy on gender-based violence, conduct awareness campaigns on women's rights, and build the capacity of local groups to provide assistance such as expanded access to legal services.
- USAID awarded the Citizen Voice and Public Accountability Program, the last in its portfolio of civil society support programs, on May 27, 2011, to the Trust for Democratic Education and Accountability. The \$45 million program will help support policy advocacy and government oversight, enhanced capacity of NGOs and citizen groups, and public-private connections to improve government accountability.
- USAID has negotiated a 4-year, \$22.7 million agreement with the International Food Policy Research Institute to implement a Pakistan Strategy Support Program. The objective of the program is to provide analytical support and capacity building to promote national agricultural growth and food security.
- The Anti-Fraud Hotline received 1,303 complaints through various channels during the quarter and distributed promotional posters, pamphlets, and other materials to implementing partners and Pakistani Government agencies.

USAID also reported challenges to implementing its programs for improved governance:

- The political and security situation in Pakistan has caused delays in program implementation. For example, a program implemented by the Dairy and Rural Development Foundation to support smallholder dairy farmers, with a focus on women, was delayed for 6 months.
- As reported in September 2010, securing government buy-in in FATA remains a key challenge for any program focused on improving governance. Weak coordination among the Government of Pakistan's civilian and military institutions is also an obstacle to coordinating actions and making progress.

**USDA.** USDA manages three types of efforts to build Pakistani institutional capacity in the agricultural sector:

- *Endowments.* Endowments support agricultural research and development activities in accordance with Pakistan's long-term development goals and promote scientific cooperation between Pakistani and U.S. agricultural scientists. Since 2000, USDA has established six endowments totaling \$56.7 million.
- *Exchanges.* Exchange programs for technical assistance develop linkages between Pakistani scientists and their counterparts in the United States. USDA plans to expand the number and quality of exchanges between Pakistani and U.S. scientists to improve the capacity of Pakistan's agricultural research system. USDA is currently reviewing exchange program proposals to implement in 2011.
- *Trilateral meetings.* The Trilateral (Afghanistan-Pakistan-United States) Secretariat on Agriculture was scheduled to meet in February 2011 in Washington, D.C. However, when diplomatic tensions flared in January 2011, the trilateral meeting was cancelled and has since been rescheduled for July 17, 2011.

**DOC.** DOC programs focus on trade and investment promotion and on developing commercial law. In April 2011, DOC held a conference in Islamabad promoting investment in alternative energy sources. In May, DOC sponsored a 12-member delegation traveling to the United States to participate in Windpower 2011, a conference and exhibit for wind industry professionals, experts, leaders, decision makers, and researchers. DOC also reported that the attorney advisor for the Commercial Law Development Program visited Pakistan for a week-long judicial capacity-building program for civil and district and sessions judges of Pakistan.

**PAS.** PAS continues to contribute to government capacity building through its administration of exchange programs. These exchanges are for midcareer government professionals and include graduate degree programs for Pakistani diplomats, internships for journalists, and special International Visitor Leadership Programs for government spokespersons and water resource managers. PAS also reported the cancellation of the project to build a National Data Center for Pakistan; likewise, PAS is no longer managing the legal infrastructure component for a modern telecommunications regulatory policy.

## **Government Capacity Development: Improved Security and Legal Institutions**

This category targets areas prone to conflict and those with a weak government presence. Assistance focuses on improving policing and expediting the disposal of legal cases through the court system. The U.S. Embassy's Narcotics Affairs Section (NAS), Regional Security Office (RSO), and PAS support assistance programs in this category.

**NAS.** As previously reported, NAS, in coordination with other U.S. law enforcement agencies in Pakistan, manages five programs that support improved security and legal institutions. These programs

address counternarcotics, border security and related infrastructure, law enforcement reform through police and prosecutor training, and support for the Ministry of Interior's Air Wing. According to NAS, all of its projects are implemented in partnership with the Government of Pakistan, and the infrastructure projects use Pakistani contracting mechanisms.

NAS and the Government of Pakistan signed 12 project implementation letters totaling nearly \$30.2 million. The funds will support the provision of equipment for the Islamabad, Sindh, and Khyber Pakhtunkhwa Police, as well as the Women's Police program. The funds will also support equipment and construction of prefabricated barracks in FATA.

To measure the progress of its new programs, NAS identified the following performance indicators:

- Amount of equipment delivered
- Time for equipment to arrive at port of entry

In addition to describing its new programs, NAS reported the following successes for its current programs:

- *Number of hours flown by the Air Wing under the aviation program.* During the quarter, the Air Wing program logged 863 hours. Missions of note included support of Pakistan Anti-Narcotics Force operations along the Iran and Afghanistan borders; support in Balochistan and in Khyber Pakhtunkhwa of the Frontier Corps, a paramilitary force recruited mostly from tribal areas and led by officers in the Pakistan Army; aerial surveillance in the cities of Islamabad, Lahore, Multan, Karachi, and Peshawar; and missions to support visits by several congressional delegations and the U.S. Ambassador.
- *Number of kilometers of road constructed and percentage of other infrastructure projects completed under the infrastructure program.* A counternarcotics road is under construction in the Prang Ghar region of Mohmand Agency. In Khyber Agency, construction of the Mattani Bypass and Landi Kotal Bypass roads is under way. In April 2011, work began on the Kanju-Madyan Road in Swat. Construction continues on three Swat Valley police stations—Mingora, Rahimabad, and Kabul—projected to be finished in September 2011.
- *Number of law enforcement officials trained, number of prosecutors trained.* During the reporting period, 201 law enforcement officials from across Pakistan received training on topics ranging from basic criminal investigations to training management. Sixty prosecutors in Khyber Pakhtunkhwa and Sindh provinces were trained in trial advocacy and counterterrorism prosecution through seminars provided by the Resident Legal Advisor and by guest lecturers, all of whom are practicing U.S. federal prosecutors and judges.
- *Amount of equipment delivered under the Civilian Law Enforcement Reform Program.* NAS delivered \$5.1 million worth of equipment, including 4,600 ballistic vests, for FATA security forces.

NAS reported that although its programs are making progress, challenges have slowed implementation:

- The U.S. Embassy directed the return of all aircraft to Quetta and their subsequent grounding when threats against and harassment of NAS local staff in Quetta prohibited employees from reporting to work. The aircraft will remain grounded until the Embassy and the Government of Pakistan agree on a way to proceed that ensures employee and program security.
- Police facilities across the country continue to be targeted, with police trainers coming under suspicion. Police trainers' names and passport numbers have been leaked to the press in articles alleging that the trainers are spies. NAS continues to monitor threat reporting closely and take every possible precaution to ensure the safety of police instructors.
- Safe training facilities are also a concern. Like other police facilities, police academies and training sites are targets for terrorist attacks. NAS reported that the risk of such an attack increases when American instructors are present. The lack of secure training space severely limits the training NAS can provide. Political tensions have made access to the Police Training Center in Chung, Punjab, problematic. This quarter PAS reported some success identifying training venues for the Sindh police program.
- The Government of Pakistan continues to backslide on efficient issuance of visas for NAS program staff. In particular, visas issued this quarter to police trainers continue to limit their stay in Pakistan to 30 days. In addition to the visa problem, clearances for access to the Air Wing compound are tightly controlled and often denied by the Frontier Corps-Balochistan.

**RSO.** The RSO at the U.S. Embassy in Islamabad contributes to improving security and legal institutions through its antiterrorism assistance. The RSO provides a full range of tactical and investigative courses and support to Pakistani federal and provincial law enforcement agencies, especially those operating in Khyber Pakhtunkhwa and Balochistan.

**PAS.** PAS also contributes to this category of assistance by supporting exchange programs. These include short-term visits for Pakistani border control officers to meet and work with their counterparts in the United States, strengthening partnerships and exchanging ideas.

## Assistance to Pakistani Institutions

To ensure greater Pakistani responsiveness and increase the sustainability of civilian programs, the United States plans to implement more programs through Government of Pakistan institutions, including national and provincial governments and NGOs.<sup>6</sup> The purpose of this shift is to:

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<sup>6</sup> The Enhanced Partnership with Pakistan Act of 2009 encourages the use of Pakistani firms and NGOs, as appropriate, to implement the democratic, economic, and development assistance programs authorized under Title I of the act (Section 101(c)(3)).

- 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 more actively engage provincial and local partners and beneficiaries.
- Deliver on-budget assistance<sup>7</sup> to promote transparency, harmonization, and better budget planning by the Government of Pakistan.
- Reduce costs.

According to USAID, it made 61 awards totaling nearly \$1.268 billion during FY 2010; during the first 9 months of FY 2011, it made an additional 32 awards totaling nearly \$406.6 million to Pakistani institutions (Table 7). USAID reported making six awards totaling approximately \$222.9 million during the reporting period. Awards made by USAID fall into one of the following four categories: budget support (cash transfers), direct funding for federal government projects, direct funding for provincial government projects, and awards to Pakistani NGOs.

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

To date, USAID has completed 108 preaward assessments. USAID also reported that it had two assessments under way, one for the Ministry of Information Technology and the other for the Auditor General of Pakistan.

**Table 7. Assistance to Pakistani Institutions Since October 1, 2010**

Type	Number of Awards	Value(\$) of Obligations
<b>Budget Support* (Cash Transfers)</b>	<b>1</b>	<b>190,000,000</b>
Citizen's Damage Compensation Program <sup>†</sup>	1	190,000,000
<b>Direct Funding for Federal Government Projects</b>	<b>12</b>	<b>142,085,622</b>
Higher Education Commission for Merit and Needs-based Scholarship Program	1	1,500,000

<sup>7</sup> Delivering U.S. assistance through Pakistan's own budgetary, spending, and accounting systems as much as possible will help the Government of Pakistan meet the fiscal targets required by the International Monetary Fund and raise Pakistanis' awareness of where U.S. funds are going and how they harmonize with resources from the Government of Pakistan and other donors. On-budget assistance should also help reduce disruptions in implementation by enabling federal and provincial governments to improve budget planning and cash-flow management.

Type	Number of Awards	Value(\$) of Obligations
Gomal Zam Multi-Purpose Dam, WAPDA	1	40,000,000
Satpara Multipurpose Dam, WAPDA	1	26,000,000
Tank-Kaur and Kaur-Jandola Road, FATA Secretariat	1	5,124,925
Wana Grid station upgrade, FATA Secretariat	2	5,800,000
Kaur-Gomal-Tanai-Wana Road, FATA Secretariat	1	33,600,000
Reactivation and rehabilitation of damaged transformers, FATA Secretariat	1	8,800,000
Swat widening/improvement of FATA Road, FATA Secretariat	1	8,856,631
Malakand Reconstruction and Recovery Program†	2	11,154,066
Competitiveness Support Fund†	1	1,250,000
<b>Direct Funding for Provincial Government Projects</b>	<b>1</b>	<b>6,250,000</b>
Southern Punjab Basic Education Program	1	6,250,000
<b>Awards to Pakistani NGOs</b>	<b>18</b>	<b>68,268,230</b>
Ambassador's Fund – National Rural Support Program (small grants and incremental funding)	1	5,000,000
Transparency International, Anticorruption Program Pakistan II (incremental funding)	1	40,000
Habib-Rafique (Pvt.) Ltd./ CDM Constructors, Inc., Parliamentary Institute Building	1	464,359
Dairy and Rural Development Foundation (smallholder dairy project)	1	2,500,000
Khushhali Bank, disbursement agent for Tubewell Efficiency Improvement Program	1	13,624,581
Voice Tel Tech, assessment of monitoring and evaluation of cash transfers	1	149,080
Apex Consulting, monitoring of OFDA flood relief in Sindh	1	149,480
Community Uplift Program, monitoring of OFDA flood relief in Balochistan	1	149,009
Key Chain Films, production of videos on development activities	1	50,000
KPMG Taseer Hadi & Co., accelerated capacity building of the Provincial Reconstruction, Rehabilitation and Settlement Authority (modification)	1	710,413
Rural Support Programmes Network, Sindh Agriculture Recovery Project	1	15,000,000

<b>Type</b>	<b>Number of Awards</b>	<b>Value(\$) of Obligations</b>
Voice Tel Tech, monitoring of OFDA flood relief in Khyber Pakhtunkhwa	1	147,085
Voice Tel Tech, monitoring of OFDA flood relief in Punjab	1	147,085
Associates in Development, Assessment and Strengthening Program	1	1,642,550
Lahore University of Management Sciences, Assessment and Strengthening Program	1	3,856,775
Rural Support Programmes Network, Assessment and Strengthening Program	1	4,100,675
Aurat Publication and Information Services Foundation†	1	12,537,138
Trust for Democratic Education and Accountability†	1	8,000,000
<b>Total</b>	<b>32</b>	<b>406,603,852</b>

Source: USAID/Pakistan.

\* For budget support, U.S. assistance funds are comingled with other budgetary resources available to the Pakistani Government, and accounting for how the U.S. funds have been used is not possible. For project assistance, U.S. funds are normally segregated in separate bank accounts, and the Pakistani Government is required to keep books and records that show how assistance funds are spent.

† Awards made to Pakistani institutions during the reporting period, April 1–June 30, 2011.

# Staffing

The U.S. Mission in Pakistan—including USAID and Embassy components<sup>8</sup>—increased staffing levels at regional offices in Peshawar and Lahore, maintained its staffing level at the regional office in Karachi, but experienced a decrease in staffing in Islamabad.

As shown in Table 8, USAID reported a total of 226 staff (50 U.S. direct hires and 176 others) as of June 30, 2011. Since the last quarterly report, the mission’s on-board staff has decreased by nine members because of transfers and summer rotations. However, with an FY 2011 target of 296 staff, USAID/Pakistan remains understaffed by 70 positions. 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.

**Table 8. USAID Staffing in Pakistan as of June 30, 2011**

Category	Islamabad	Peshawar	Lahore	Karachi	Total	Difference from March 31, 2011
U.S. direct hire	45	2	2	1	50	-7
U.S. staff from other departments and agencies	0	0	0	0	0	0
U.S. personal services contractors	15	5	1	0	21	+1
Third-country nationals	7	1	0	0	8	0
Foreign Service Nationals (Pakistani staff)	97	23	9	5	134	+2
Eligible family members	5	0	0	1	6	0
Long-term temporary-duty staff*	7	0	0	0	7	-5
<b>Total Staff</b>	<b>176</b>	<b>31</b>	<b>12</b>	<b>7</b>	<b>226</b>	<b>-9</b>
<b>Staff Target 2011</b>					<b>296</b>	
<b>Staff Shortfall</b>					<b>70</b>	

\* USAID/Pakistan reported that long-term temporary-duty staff (defined as being in Pakistan for a year) filling vacant positions counted toward the total number of USAID/Pakistan positions.

<sup>8</sup> NAS reported that it had up to 130 staff and contractors on board as of June 30, 2011, including 6 U.S. direct hires. PAS reported that it had 21 direct hires on board as of that date.

# Risks and Mitigation Strategies

U.S. Government agencies and oversight entities identified risks that could jeopardize the U.S. Government's assistance program in Pakistan and identified accompanying mitigation strategies. The following three risks were particularly relevant during the quarter:

- *Political risks.* Pakistan continued to experience political, economic, and security-related turmoil. Such turmoil can limit the progress by the Government of Pakistan and the U.S. Government in delivering an effective assistance program.
- *Terrorist threats.* Public reaction to recent events in Pakistan could intensify the threat of terrorism, undermining civilian assistance efforts. To prevent terrorist attacks in Pakistan and elsewhere, the United States recently released its National Strategy for Counterterrorism (part of the larger U.S. National Security Strategy). The ultimate objective of the strategy is to “disrupt, dismantle, and ultimately defeat al-Qa’ida—its leadership core in the Afghanistan-Pakistan region, its affiliates and adherents.”<sup>9</sup>
- *Operating restrictions.* Implementation and monitoring of USAID projects have been hindered recently by stricter Government of Pakistan requirements for travel outside of Islamabad and provincial capitals. Staffing has been hampered by the denial of visas and visa extensions for U.S. Government employees, and increasingly USAID personnel have been harassed by local authorities.

Other previously identified challenges facing the civilian assistance program include the following:

- *Resistance to economic reform.* Entrenched interests may resist policy reforms needed to transform the economy. According to USAID, if Pakistan does not implement fundamental reforms, assistance from the United States and other donors will have limited long-term effects.
- *Reprogramming of funds for flood recovery.* The United States pledged to direct roughly \$500 million of its budget toward flood recovery to promote early recovery and the replacement of damaged infrastructure. However, when previously planned projects are postponed or eliminated, the assistance program loses momentum in planning and implementation, frustrating some Pakistani stakeholders. To address this concern, the Government of Pakistan and the U.S. Government have coordinated reprogramming to maintain resources for the highest-priority programs and activities in support of mutually agreed-on developmental and humanitarian assistance priorities. This quarter, USAID notified Congress of the flood recovery and reconstruction programs to be supported with FY 2010 funds; \$136 million in FY 2010 funds is pending final congressional approval.
- *Flood-related insecurity.* The floods affected more than 20 million Pakistanis, and many are still living in camps made up of temporary shelters, where disillusionment can lead to instability.

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<sup>9</sup> White House, “Fact Sheet: National Strategy for Counterterrorism,” June 29, 2011.

- *Vulnerability to natural disasters.* Pakistan is prone to earthquakes and flooding, which hinder the implementation of projects in disaster-affected areas. USAID has ongoing efforts to strengthen the capacity of the National Disaster Management Agency to respond to disaster and reduce disaster risk.
- *Adverse environmental impact.* USAID/Pakistan conducts environmental assessments before disbursing funds for projects. To build a road in South Waziristan from Tank to Wana to Makeen, for example, the mission conducted an assessment and will take the necessary steps to mitigate the environmental concerns it highlighted before building portions of the road.
- *Leadership turnover.* Turnover is high in entities of the Government of Pakistan that deal with agriculture and in economic and social service ministries. Such turnover affects planning, coordination, and implementation of programs. USAID will continue to work closely with all government counterparts as necessary to ensure coordination and implementation of agricultural programs.
- *Limited institutional capacity.* Limited institutional capacity—especially in FATA, Khyber Pakhtunkhwa, and Balochistan—means extra efforts must be made to mitigate the risk of resources being lost through inefficiency, theft, or general lack of capacity to handle large amounts of funding.
- *Inadequate financial management in Government of Pakistan institutions.* The U.S. Government and the Government of Pakistan have collaborated to introduce special accounts for U.S. budget support assistance to address financial challenges and to maintain a high degree of accountability. However, financial management, accountability, and reporting challenges continue.
- *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, and Khyber Pakhtunkhwa, and to engage Pakistani officials in project design.

As described above, security is an ongoing challenge that limits the ability of civilians to provide assistance in certain vulnerable areas, as well as USAID's ability to monitor and evaluate programs. USAID is meeting the challenge by expanding its regional offices in Peshawar and Lahore and its use of Pakistani firms to conduct site visits. In addition, USAID/Pakistan recently awarded a missionwide, independent monitoring and evaluation contract to Management Sciences International. Services provided under the contract include routine monitoring, training on data entry for project performance, mapping using a geographic information system, and conducting evaluations and assessments.

To maximize aid effectiveness and sustainability, USAID/Pakistan is committed to providing assistance through Pakistani institutions. Many of these new partner institutions have limited capacity to plan and implement projects because of limited staff or a lack of experience with U.S. Government requirements for financial management. To address this concern, USAID/Pakistan is supporting technical advisers and units within government ministries receiving USAID funding to help manage specific programs and mentor ministry staff. Moreover, USAID is funding public accounting firms to conduct preaward assessments to help ensure that potential recipients of USAID assistance meet U.S. transparency and

accountability standards. These assessments also determine the capacity needs of potential partners so that USAID can work with them to build those capacities.<sup>10</sup> In addition, USAID increasingly relies on fixed-amount reimbursement as a mechanism to disburse funding to Pakistani institutions. This mechanism requires progress to be achieved before funding is released to the implementing partner.

In addition to these USAID strategies, USAID OIG has taken the following steps to ensure that U.S. Government funds are protected against waste and theft:

- *Establishing field offices in Pakistan for the USAID and DOS OIGs.* As of June 30, 2011, USAID OIG had 14 permanent staff in Islamabad (9 U.S. direct hires and 5 Foreign Service National employees), supplemented by staff on temporary duty. To support its Pakistan portfolio, DOS OIG established its field office at the U.S. Embassy in Islamabad last October.
- *Conducting risk assessments of awards to U.S.-based entities working in Pakistan.* In FY 2010, USAID OIG conducted risk assessments of 18 awards to prioritize financial reviews of U.S. entities operating in Pakistan. Of the 18 awards, auditors considered 5 to be high risk and suggested that USAID/Pakistan conduct financial reviews of those implementing the high-risk awards. To date, two financial reviews have been completed, one is planned, and two were canceled (the awards were terminated early).
- *Expanding the use of independent Pakistani public accounting firms to conduct financial audits of funds provided to Pakistani NGOs.* As of June 30, 2011, USAID OIG had a roster of 25 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 added 14 audit firms to its list of eligible audit firms in Pakistan.
- *Providing training to Pakistani public accounting firms and to the Office of the Auditor General.* The training covers standards and requirements for financial audits of U.S. Government funds. As of June 30, 2011, USAID OIG had provided training to 21 public accounting firms (42 participants) and 16 nongovernmental organizations (31 participants)—totaling 73 participants in FY 2011. Last year, USAID OIG provided training to 21 auditors from the Office of the Auditor General.
- *Providing training to USAID's contracting and agreement officers' technical representatives and financial analysts.* The training covers the standards and requirements for financial audits of U.S. Government funds. As of June 30, 2011, USAID OIG had provided four training seminars to 52 staff members working at USAID/Pakistan. USAID OIG also trained 26 staff from ten provincial government ministries in FY 2011.
- *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 reviewing the statement of work between the mission and the Office of the Auditor General for each audit conducted, attending entrance and exit conferences, reviewing the Auditor General's audit program, and approving the draft and final reports to ensure that the audits were performed in accordance

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<sup>10</sup> On May 6, 2011, USAID OIG issued an audit of USAID/Pakistan's management of preaward assessments. The findings are presented on page 36.

with government auditing standards. USAID OIG continues to meet monthly with the Auditor General to review the status of ongoing audits.

- *Working with Pakistan’s National Accountability Bureau (NAB).*<sup>11</sup> USAID OIG established a working relationship with NAB in early 2010 and continues to coordinate efforts and collaborate on investigations.
- *Collaborating with USAID/Pakistan to establish the Anti-Fraud Hotline in Pakistan.* As the only one of its kind in Pakistan, the hotline provides a unique and useful tool for the people of Pakistan to provide feedback to USAID, its implementing partners, and the Government of Pakistan. This quarter, the hotline received 1,303 complaints through various channels—e-mail, Internet, facsimile, mail, and in person. These complaints relate to projects funded by USAID and by other organizations, including the Pakistani Government, bilateral donors, and international organizations.
- *Providing fraud-awareness briefings and expanding investigatory coverage.* During the reporting period, OIG special agents in Pakistan gave two fraud-awareness briefings attended by 19 USAID, U.S. Consulate, and contractor personnel.
- *Coordinating audits and investigations with other U.S. agencies.* USAID OIG works with other OIGs, the Government Accountability Office (GAO), and law enforcement agencies including the FBI’s International Corruption Unit, the National Procurement Task Force, the Financial Crimes Enforcement Network, and the U.S. Embassy’s Legal Attaché Office.

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<sup>11</sup> NAB is the primary law enforcement agency in Pakistan responsible for investigating white-collar crime and public corruption, and it is Pakistan’s only law enforcement agency authorized to conduct investigations in FATA.

# Oversight Status

## USAID Office of Inspector General

USAID OIG oversees foreign assistance programs administered by USAID, the United States African Development Foundation, the Inter-American Foundation, and the Millennium Challenge Corporation. 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, financial audits, and investigations.

## Work Completed Since April 1, 2011

From April 1 through June 30, 2011, USAID OIG completed two performance audits and four financial audits:

- **Audit of USAID/Pakistan's Management of Preaward Assessments (Audit Report No. G-391-11-004-P, May 6, 2011).** The audit determined that USAID/Pakistan's preaward process provided a reasonable basis for identifying significant financial management vulnerabilities; however, the audit noted weaknesses in the mission's management of the preaward process. The weaknesses included the lack of prioritization or follow-up on significant vulnerabilities identified in assessments. Specifically, eight audited assessments contained more than 250 weaknesses in the recipients' ability to manage funds, yet only 55 weaknesses were incorporated in agreements as special award conditions. Furthermore, USAID/Pakistan did not ensure that recipients corrected significant vulnerabilities before receiving funding, placing U.S. Government resources at higher risk for fraud, waste, and abuse. The report contained four recommendations.
- **Audit of USAID/Pakistan's Road Rehabilitation and Reconstruction Activities Under the Quick Impact Projects in South Waziristan (Audit Report No. G-391-11-005-P, June 20, 2011).** This audit determined that USAID/Pakistan's road rehabilitation and reconstruction activities under the Quick Impact Projects in South Waziristan were on track. Despite some difficulties noted with mission operations, two sections of road totaling 215 kilometers had been completed and met all specifications and approvals required for reimbursement by USAID. USAID/Pakistan's increase in technical capacity to oversee projects and the use of fixed-amount reimbursement agreements to reduce common risks associated with road reconstruction significantly contributed to the success of the road activities. However, the audit also found that for progress to continue on the road rehabilitation and reconstruction activities, USAID/Pakistan needs to tailor a capacity-building contract and to ensure compliance with regulations on conducting environmental assessments, enforcing business ethics and conduct codes; maintaining government contract files; and branding and marking. The report contained nine recommendations.

- **Closeout Financial Audit of the Program “Interactive Teaching & Learning Project,” USAID/Pakistan Cooperative Agreement No. 391-A-00-06-01075-00, and Financial Audit of Program “Links to Learning Education Support to Pakistan,” Sub-Award Under USAID/Pakistan Cooperative Agreement No. 391-A-00-08-01100-00, Managed by Children’s Global Network Pakistan Limited, for the Period From July 1, 2008, to February 26, 2010 (Audit Report No. G-391-11-002-R, April 8, 2011).** The audit covered incurred costs of \$1,315,348. The audit concluded that, except for the effects of the questioned costs of \$12,669 (which were unsupported), the fund accountability statement presented fairly, in all material respects, program revenues and costs incurred under the agreements for the period audited. The audit identified three material instances of noncompliance and one material weakness in internal control associated with the questioned costs. The audit report made three recommendations.
- **Financial Audit of the Pakistan Competitiveness Support Fund, USAID/Pakistan Grant Agreement No. 391-G-00-06-01073-00, Managed by the Competitiveness Support Fund, for the Period July 1, 2009, to June 30, 2010 (Audit Report No. G-391-11-003-R, May 10, 2011).** The audit covered incurred costs of \$2,184,844. The audit concluded that, except for the effects of the questioned costs of \$731 (which were ineligible) and \$2,091 (which were unsupported), the fund accountability statement presented fairly, in all material respects, program revenues and costs incurred under the cooperative agreement for the period audited. In addition, one material instance of noncompliance and three significant deficiencies in internal control were noted. The audit report made two recommendations.
- **Financial Audit of USAID/Pakistan’s Rupee Trust Fund, for the Period From October 1, 2006, to September 30, 2009 (Audit Report No. G-391-11-001-N, May 26, 2011).** The audit covered incurred costs of \$1,511,547 for the 3-year period ending September 30, 2009. The audit concluded that, except for three material internal control weaknesses, the fund accountability statements presented fairly, in all material respects, funds received and costs incurred under the agreement. The three material weaknesses in internal control were that the Phoenix accounting system did not have separate ledgers for investments, receipts from the Government of Pakistan, and interest earned; certain investments, once matured, were not being reinvested immediately, resulting in a loss of potential investment income; and interest income from the bank was not recorded timely in the books of the trust fund for the year 2009. The audit report made two recommendations.
- **Closeout Financial Audit of the Forman Christian College for the Development of a Four-Year Bachelor Degree Program and Strengthening Programs in Basic Science and Information Technology, for the Period July 1, 2009, to March 31, 2010 (Audit Report No. G-391-11-004-R, June 23, 2011).** The audit, which covered incurred costs of \$1,800,000, concluded that, except for the effects of the questioned costs of \$122,515 (which were ineligible), the fund accountability statement presented fairly, in all material respects, program revenues and costs incurred under the cooperative agreement for the period audited. The ineligible costs pertained to equipment purchased but not available for physical verification. The audit report made one recommendation.

## Work Under Way

As of June 30, 2011, USAID OIG had three performance audits and four financial audits in process:

- **Audit of USAID/Pakistan’s Community Rehabilitation Infrastructure Support Program.** This audit will determine whether the program is constructing and renovating community infrastructure to improve the delivery of basic human services such as education, health care, water supply, sanitation, electricity, and transportation, as well as to promote economic growth in Pakistan’s rural areas.
- **Audit of USAID/Pakistan’s Firms Project.** This audit will determine whether the project is achieving its main goal: to expand economic opportunities through sales and employment.
- **Audit of USAID/Pakistan’s Energy Efficiency and Capacity Program.** This audit will determine whether the program is promoting energy efficiency and conservation and building the capacity of public sector organizations to better address the needs of the energy sector.
- **Financial Audit of USAID Funds Managed by the Ministry of Finance, Government of Pakistan, for the Education, Health, and Clean Drinking Water Budget Lines, for the Period June 15, 2007, to June 30, 2008, and for the Government of Pakistan Rural Landless Compensation Policy Budget Line, for the Period June 15, 2007, to December 31, 2009.**
- **Financial Audit of USAID Funds Managed by the Ministry of Economic Affairs and Statistics (Economic Affairs Division) Under the Cash Transfer Grant Agreement for Internally Displaced Persons, for the Period July 1, 2009, to June 30, 2010.**
- **Financial Audit of USAID Funds Managed by the Higher Education Commission Under the Merit and Needs-based Scholarship Project, for the Period July 2, 2004, to June 30, 2010.**
- **Financial Audit of USAID Funds Managed by the Ministry of Economic Affairs and Statistics (Economics Affairs Division) Under the Cash Transfer Grant Agreement for the Benazir Income Support Program, for the Period July 1, 2009, to June 30, 2010.**

## Work Planned for the Remainder of FY 2011

For the remainder of FY 2011, USAID OIG expects to conduct one performance audit and two financial audits:

- **Audit of USAID/Pakistan’s Emergency Cash Transfer Program – University and Technical Education Component.** This audit will determine whether funds provided to the Government of Pakistan under the University and Technical Education Component of this program are being used for their intended purpose of providing budget support.

- **Audit of USAID/Pakistan’s Fiscal Year 2011 Consolidated Financial Statements.** This audit is part of the worldwide audit of USAID’s consolidated financial statements. At the end of the testing, OIG/Pakistan will submit a summary memo of the procedures performed and the results obtained to OIG/Washington.
- **Financial Audit of USAID Funds Managed by the Pakistan Higher Education Commission for the Ministry of Economic Affairs and Statistics Under the Cash Transfer Agreement, for the Period September 30, 2009, to June 30, 2010.**

### Anti-Fraud Hotline and Investigative Work

Also during the reporting period, USAID OIG continued to receive complaints through the Pakistan Anti-Fraud hotline. Hotline calls led to challenges of violations of Pakistan’s public procurement rules and to investigations that resulted in terminations and a referral. USAID OIG closed 11 investigations during the reporting period and has 19 open cases.

As the only one of its kind in Pakistan, the Anti-Fraud Hotline gives the people of Pakistan a tool to provide feedback to USAID, its implementing partners, and the Government of Pakistan. Since its introduction in February 2011, the hotline has been widely advertised in media including television, radio, newspapers, and billboards and has been very successful. As a result, the hotline has received a large volume of complaints related to service delivery as well as numerous requests for humanitarian assistance.

This quarter, the hotline received 1,303 complaints through various channels. These complaints relate to projects funded by USAID, the Pakistani Government, bilateral donors, and international organizations. The vast majority involve flood relief efforts in the provinces of Sindh, Khyber Pakhtunkhwa, Punjab, and Balochistan. While nearly 50 percent of the complaint calls did not indicate a specific province, 34 percent pertained to Sindh Province, 9 percent to Punjab Province, and 3 percent to Khyber Pakhtunkhwa Province.

When the hotline receives complaints about programs not under the direct responsibility of USAID, staff members refer the complaints to the appropriate organizations for resolution or disposition as those organizations deem necessary and appropriate. USAID OIG and the hotline staff continue to develop methods to refer complainants quickly to the proper organization. During this reporting period, staff referred 342 complaints, as detailed below:

- 160 complaints to the WFP, which manages these USAID-funded projects. All of these complaints were about the same NGO.
- 81 complaints to USAID implementing partners.
- 38 complaints to the FAO for non-USAID-funded programs.
- 63 complaints to international organizations other than FAO and NGOs for non-USAID-funded programs.

By following up on hotline calls, USAID OIG's Investigations team achieved the following results:

- **Complaints Filed Under Pakistan Public Procurement Rules of 2004.** In accordance with the cooperative agreement between USAID/Pakistan and Transparency International-Pakistan, the hotline processes complaints alleging violations of the Pakistan Public Procurement Rules under USAID-funded projects. These rules apply to all procurements made by Government of Pakistan agencies. When complaints come in to the hotline, Transparency International-Pakistan prepares a letter lodging a complaint which is sent to the head of the agency in question, the Public Procurement Regulatory Authority, the Auditor General of Pakistan, the National Accountability Bureau, the Supreme Court of Pakistan, and USAID OIG. The procedures set forth in the Public Procurement Rules are then followed to resolve the issue. To date, three public procurements have been challenged under this process. One procurement was cancelled and retendered; however, a second complaint has now been lodged on the retendered procurement and is pending. Responses to the two remaining complaints are pending from the appropriate agency under the Pakistan Public Procurement Rules.
- **Ten NGO Personnel Terminated for Misconduct in Flood Relief Efforts.** During spring 2011, the hotline received more than 100 complaints regarding problems with service delivery or criminal misconduct by employees of a Pakistani NGO. The NGO is involved in the distribution of USAID-funded food items for the WFP in Sindh Province. Using the hotline information, OIG initiated a joint investigation with WFP. To date, the investigation has revealed that internal controls over the issuance of tokens used to obtain relief goods were lacking and that NGO personnel failed to follow procedures, distributed food items in undesignated areas, and collected and damaged the national identity cards of some recipients. As a result of the investigation, the NGO has terminated ten personnel to date. A forensic audit of the NGO's operation is now under way.
- **Ten NGO Personnel Terminated for Misconduct in a USAID-Funded Agricultural Program.** During spring 2011, the hotline received more than 80 complaints regarding problems with service delivery and criminal misconduct by employees of a Pakistani NGO implementing a USAID-funded agricultural project in Sindh Province. To date, the investigation has revealed numerous instances in which agricultural inputs were provided to individuals who did not meet program eligibility guidelines. In addition, poor internal controls and mismanagement resulted in a several-month delay in the delivery of tens of thousands of checks to program recipients. As a result of the ongoing investigation, the NGO has terminated ten employees and removed three others from all USAID-funded projects.
- **USAID Vendor Implicated in Environmental Contamination Case.** An OIG investigation was initiated after toxic levels of formaldehyde were detected in the air in offices of USAID OIG and the U.S. Embassy Islamabad. Formaldehyde is a pungent-smelling liquid that irritates the eyes and nasal passages and is a known carcinogen. Formaldehyde is commonly used as an adhesive to bind wood particles in furniture and is not harmful if the furniture is covered with a sealant. The investigation revealed that a local Pakistani vendor knowingly sold unsealed, fume-emitting furniture to USAID and the Embassy. The vendor admitted that, to save money, he declined to follow the manufacturer's recommendation to seal the product. The contamination exposed more than 50

employees to toxic levels of formaldehyde. As a result of the investigation, a clause has been added to all new USAID purchase agreements requiring vendors to prevent formaldehyde contamination. The offending furniture was also removed. The matter has been referred to USAID's Compliance and Oversight of Partner Performance Division for appropriate action.

## Department of State Office of Inspector General

### Work Under Way

As of June 30, 2011, DOS OIG had four evaluations under way:

- **Review of the U.S. Mission Pakistan's Local Security Program (Performance Evaluation).** The review will examine and summarize the requirements and provisions of the U.S. Mission in Pakistan's local security force contracts, including the objectives of the contracts and task orders, indicators established to measure performance, and internal controls over the contractors' performance and contract costs.
- **Review of Embassy Islamabad Antiterrorism Assistance Program in Pakistan (Performance Evaluation).** This review will examine the requirements and provisions of the Antiterrorism Assistance Program and associated contracts for Embassy Islamabad. Specifically, the review will (1) determine the degree to which antiterrorism training programs have achieved their intended outcomes, (2) assess whether contracts for antiterrorism training and equipment have been effectively managed, and (3) validate controls over foreign government equipment provided in support of the training programs.
- **Review of Internal Management Controls of Funds Provided to Pakistan (Performance Evaluation).** The review will determine whether specific internal controls have been properly designed and put in place for the Pakistan program funds, including procedures for planning, organizing, directing, and controlling program operations. The review also will assess the system for measuring, reporting on, and monitoring program performance.
- **Review of Emergency Action Plan for Embassies Baghdad, Kabul, and Islamabad (Program Evaluation).** The review will assess the status and effectiveness of emergency action plans for Embassies Baghdad, Kabul, and Islamabad to determine their reasonableness and their level of coordination with the military commanders in-country.

### Work Planned for the Remainder of FY 2011

DOS OIG has no new evaluations planned for FY 2011. The previously reported DOS OIG review of the operations and maintenance contract for Embassy Islamabad is scheduled for FY 2012.

To support its Pakistan portfolio, last October, DOS OIG established its field office at the U.S. Embassy in Islamabad. As of June 30, 2011, DOS OIG had three investigative cases related to Pakistan.

## Department of Defense Office of Inspector General

DOD OIG has no ongoing or planned projects related to the civilian assistance program in Pakistan for FY 2011.

## Government Accountability Office

GAO is an independent, nonpartisan agency that oversees federal government spending. GAO's mission is to help improve the performance and ensure the accountability of the federal government for the benefit of the American people. GAO performs oversight at the request of Congress. Additionally, GAO may be required to research issues mandated by public laws or may undertake work prompted by broad-based congressional interest under the authority of the Comptroller General. GAO supports congressional oversight through many avenues, such as auditing agency operations, investigating allegations of illegal activities, reporting on the efficiency and effectiveness of government programs and policies, analyzing policy, outlining options for congressional consideration, and issuing legal decisions and opinions. GAO consults with key members of the accountability community, including the inspectors general. For example, GAO participates in the Afghanistan-Pakistan Subgroup, which is chaired by USAID OIG and focuses on oversight of U.S. programs in those two countries.

## Work Under Way

From April 1 through June 30, 2011, GAO had three ongoing engagements concerning Pakistan:

- **U.S. Efforts to Enhance Pakistan's Security Forces.** This engagement is assessing (1) the status of U.S. efforts to train, equip, and improve infrastructure for Pakistani security forces to enhance counterinsurgency and counterterrorism capabilities along the western frontier bordering Afghanistan using the Pakistan Counterinsurgency Fund and the Pakistan Counterinsurgency Capabilities Fund and (2) the extent to which DOD and DOS are implementing and following policies and procedures for human rights vetting to ensure compliance with congressional human rights funding restrictions on the two counterinsurgency fund appropriations. GAO expects to complete this engagement in September 2011.
- **Pakistan's Anti-Terror Efforts.** The Enhanced Partnership with Pakistan Act of 2009 prohibits military assistance and arms transfers to Pakistan in FY 2011–14 unless the President certifies that Pakistan is making significant progress in combating terrorist groups—including ceasing support for such groups, preventing them from operating in Pakistan, and strengthening counterterrorism and anti-money-laundering laws—and that its security forces are not subverting the country's political or judicial processes. The act requires GAO to independently assess this certification. GAO will assess the extent to which (1) DOS funding is contingent on the certification, (2) DOS complied with the mandated requirements, (3) the certification is supported by evidence from the U.S. agencies and the views of experts, and (4) DOS obtained input from other agencies to develop the certification and justification memorandum. GAO expects to complete the assessment 120 days after the President's certification.

- **Pakistan Nuclear Networks.** The Enhanced Partnership with Pakistan Act of 2009 prohibits military assistance and arms transfers to Pakistan in FY 2011–14 unless the President certifies that Pakistan is continuing to cooperate with the United States in efforts to dismantle nuclear supplier networks relating to the acquisition of nuclear-weapons-related materials—for example, by providing relevant information from or direct access to Pakistani nationals associated with such networks. The act requires GAO to independently assess this certification. This engagement will assess the extent to which (1) the A.Q. Khan network facilitated the proliferation of sensitive nuclear technology, (2) experts identified potential gaps in the U.S. Government’s knowledge of the A.Q. Khan network, (3) Pakistan has cooperated with the United States to ensure that the network is no longer active, and (4) DOS certification is consistent with experts’ views on Pakistan’s cooperation with U.S. efforts to dismantle nuclear networks. GAO expects to complete this assessment 120 days after the President’s certification.

### Work Planned for the Remainder of FY 2011

In response to congressional interest, GAO may begin additional work on Pakistan and relate its findings in subsequent reports.

## Completed Oversight Reports as of June 30, 2011

Table 9 lists oversight reports completed since the passage of the Enhanced Partnership with Pakistan Act, October 15, 2009.

**Table 9. Oversight Reports Completed as of June 30, 2011**

Agency	Report Number	Report Date	Report Title
USAID	G-391-11-004-R	6/23/11	Closeout Financial Audit of the Forman Christian College for the Development of a Four-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	6/20/11	Audit of USAID/Pakistan's Road Rehabilitation and Reconstruction Activities Under the Quick Impact Projects in South Waziristan
USAID	G-391-11-001-N	5/26/11	Financial Audit of USAID/Pakistan's Rupee Trust Fund, for the Period October 1, 2006, to September 30, 2009
USAID	G-391-11-003-R	5/10/11	Financial Audit of the Pakistan Competitiveness Support Fund, USAID/Pakistan Grant Agreement No. 391-G-00-06-01073-00, Managed by Competitiveness Support Fund for the Period July 1, 2009, to June 30, 2010
USAID	G-391-11-004-P	5/6/11	Audit of USAID/Pakistan's Management of Preaward Assessments
USAID	G-391-11-002-R	4/8/11	Closeout Financial Audit of the Program "Interactive Teaching & Learning Project," USAID/Pakistan Cooperative Agreement No. 391-A-00-06-01075-00, and Financial Audit of Program "Links to Learning Education Support to Pakistan," Sub-Award under USAID/Pakistan Cooperative Agreement No. 391-A-00-08-01100-00, Managed by Children's Global Network Pakistan Limited, for the Period July 1, 2008, to February 26, 2010
GAO	GAO-11-310R	2/17/11	Department of State's Report to Congress and U.S. Oversight of Civilian Assistance to Pakistan Can Be Further Enhanced
GAO	GAO-11-156R	2/15/11	Accountability for U.S. Equipment Provided to Pakistan Security Forces in the Western Frontier Needs to be Improved
USAID	G-391-11-003-P	1/24/11	Audit of USAID/Pakistan's Flood Relief Efforts as Administered by Local Nongovernmental Organizations
DOS	MERO-1-11-01	1/11	The Bureau of Population, Refugees and Migration's Internally Displaced Persons Program in Pakistan
USAID	G-391-11-001-R	12/30/10	Financial Audit of Khushhali Bank Limited Under the Developing Non-Bankable Territories for Financial Services Program (Close-Out Audit), for the Period January 1, 2009, to September 30, 2009

<b>Agency</b>	<b>Report Number</b>	<b>Report Date</b>	<b>Report Title</b>
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	11/8/10	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
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	8/4/10	Financial Audit of the Pakistan Competitiveness Support Fund, USAID/Pakistan Grant Agreement No. 391-G-00-06-01073-00, Managed by the Competitiveness Support Fund, for the Period February 3, 2006, to June 30, 2009
USAID	5-391-10-010-P	6/28/10	Audit of USAID/Pakistan's Primary Healthcare Revitalization, Integration and Decentralization in Earthquake-Affected Areas Project
USAID	5-391-10-001-S	6/28/10	Review of USAID's Internally Displaced Persons Programs in Pakistan
DOS	ISP-I-10-64	6/10	Inspection of Embassy Islamabad, Pakistan
USAID	5-391-10-033-R	5/18/10	Financial Audit of USAID Funds Managed by Forman Christian College, Lahore, for the Period July 1, 2007, to June 30, 2009
USAID	5-391-10-029-R	4/30/10	Financial Audit of USAID Funds Managed by Khushhali Bank for the Year Ended December 31, 2008
GAO	GAO-10-289	4/15/10	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	3/24/10	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	3/10	The Bureau of International Narcotics and Law Enforcement Affairs Air Wing Program in Afghanistan and Pakistan, Performance Audit
USAID	5-391-10-020-R	2/11/10	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	1/28/10	Audit of USAID/Pakistan's Capacity Building for the Federally Administered Tribal Areas Development Program

<b>Agency</b>	<b>Report Number</b>	<b>Report Date</b>	<b>Report Title</b>
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	12/09	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 of Counter Narcotics Programs in Pakistan, Performance Audit

## Appendix—Abbreviations

DEA	Drug Enforcement Administration
DOC	Department of Commerce
DOD	Department of Defense
DOS	Department of State
FAO	U.N. Food and Agriculture Organization
FATA	Federally Administered Tribal Areas
FBI	Federal Bureau of Investigation
FY	fiscal year
GAO	Government Accountability Office
G.A.P.	Good Agricultural Practice
GENCO	Power Generation Company
IDPs	internally displaced persons
IOM	International Organization for Migration
KNCV	Royal Netherlands Tuberculosis Association (Koninklijk Nederlandsche Centrale Vereeniging)
NAB	National Accountability Bureau
NAS	Narcotics Affairs Section (U.S. Embassy Islamabad)
NGO	nongovernmental organization
OFDA	Office of Foreign Disaster Assistance
OIG	Office of Inspector General
PAS	Public Affairs Section (U.S. Embassy Islamabad)
POL	Political Affairs Section (U.S. Embassy Islamabad)
RSO	Regional Security Office (U.S. Embassy Islamabad)

U.N.	United Nations
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
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
WHO	World Health Organization