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

As of March 31, 2011



Foreword

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

This report covers January 1 through March 31, 2011. For fiscal year (FY) 2010, Congress appropriated \$1.515 billion authorized by the Enhanced Partnership with Pakistan Act of 2009, along with other assistance funds, to support the civilian assistance strategy in Pakistan. So far \$1.469 billion in Enhanced Partnership Act with Pakistan funds has been obligated. The U.S. Embassy reported that \$4.470 billion in FY 2009, 2010, and 2011 civilian assistance funds had been obligated as of March 31, 2011.

The information on program status in this report is based on information provided by the departments and agencies working in Pakistan—the U.S. Agency for International Development (USAID), the Department of State, the Department of Defense, the Department of Agriculture, and the Department of Commerce. The program oversight results are taken from audits, reviews, and investigations performed by the Offices of Inspector General of the U.S. Agency for International Development, the Department of State, and the Department of Defense, as well as by the U.S. Government Accountability Office.

/s/

The Honorable Donald A. Gambatesa
Inspector General
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/s/

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Executive Summary

The Enhanced Partnership with Pakistan Act of 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 had not yet appropriated civilian assistance funding authorized by the Enhanced Partnership with Pakistan Act of 2009; however, in FY 2010, Congress appropriated \$1.515 billion¹ for assistance efforts. As of March 31, 2011, the U.S. Embassy in Islamabad reported that \$4.470 billion in FY 2009, 2010, and 2011 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.

Although progress on the civilian assistance program has been difficult to measure, this quarter the U.S. Agency for International Development (USAID)—the largest contributor to the assistance program—finalized a plan for performance management that includes performance indicators to gauge the results of its programs. The performance indicators are incorporated in this quarter's report.

During the first 6 months of FY 2011, USAID made 25 awards totaling about \$182.2 million to governmental and nongovernmental Pakistani institutions; 12 awards totaling \$144.9 million were made during the reporting period, January 1 through March 31, 2011. To overcome risks posed to the civilian assistance strategy and to improve monitoring and oversight of its programs, USAID continued to conduct preaward assessments of local implementing partners. USAID had also begun the process of soliciting bids for a contract to conduct broad-based monitoring and evaluation activities, with award expected sometime during the summer of 2011.

USAID's Office of Inspector General (OIG) was also active during the quarter. To ensure that the Agency's funds are protected against waste and theft, USAID OIG expanded its field office in Pakistan, hosted a fraud-awareness conference for Islamabad-based USAID implementing partners, and collaborated with USAID/Pakistan to formally launch a fraud hotline in February 2011. USAID OIG also initiated a number of investigations based on hotline allegations and uncovered additional details related to the suspension of the Academy for Educational Development (AED), a USAID implementing partner.

¹ This amount was authorized under the Enhanced Partnership with Pakistan Act of 2009 (Public Law 111-73) and does not include other assistance funds provided by Congress for Pakistan.

USAID OIG and other oversight organizations completed a number of engagements during the period covered by this report. USAID OIG completed a performance audit of flood relief efforts administered by two local nongovernmental organizations. The audit found that the two Pakistani organizations met or exceeded their goals in delivering food and hygiene kits to 80,098 households and administering medical supplies and treatment to 159,620 people. The Department of State (DOS) OIG completed a review of the Bureau of Population, Refugees and Migration's program for internally displaced persons (IDPs) and found that program partners assisted more than 2.7 million IDPs, meeting the short-term goals of humanitarian assistance. However, DOS OIG could not determine the overall effectiveness of the assistance provided and made three recommendations to encourage improvements in its implementing partners' performance reporting.

The Government Accountability Office (GAO) completed two engagements during the period. GAO reviewed the DOS *Pakistan Assistance Strategy Report* and found it contained neither plans specifically related to operations research nor information on all of the indicators used to determine Millennium Challenge Account eligibility, as required. As a result, GAO recommended ways to improve DOS reporting to Congress and recommended that USAID require Pakistani organizations to address weaknesses identified in preaward assessments to improve accountability for U.S. assistance. In another engagement, GAO assessed Department of Defense (DOD) procedures to account for U.S. equipment provided to Pakistani security forces in the Western Frontier and found the procedures at DOD's Islamabad warehouse could be improved. Further, GAO found that the Defense Security Cooperation Agency (DSCA) had not followed up in a timely manner to ensure weaknesses identified in 2008 in accounting for sensitive equipment in Pakistan's custody had been addressed. GAO made three recommendations to improve accountability for defense articles.

Background

During the reporting period, January 1–March 31, 2011, there were numerous challenges—economic, political, and security-related—that affected the U.S. assistance program to Pakistan. Despite these challenges, the U.S. Government continued to carry out its civilian assistance program. For example, in response to the worst floods in nearly 100 years, the United States is finalizing plans to provide \$190 million to the Citizen’s Damage Compensation Fund established by the Government of Pakistan to provide cash grants to approximately 1.6 million families in areas affected by the floods.²

The strategy the United States has followed for civilian assistance in Pakistan since December 2009³ 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.

In furtherance of these objectives, the strategy envisages assistance 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.

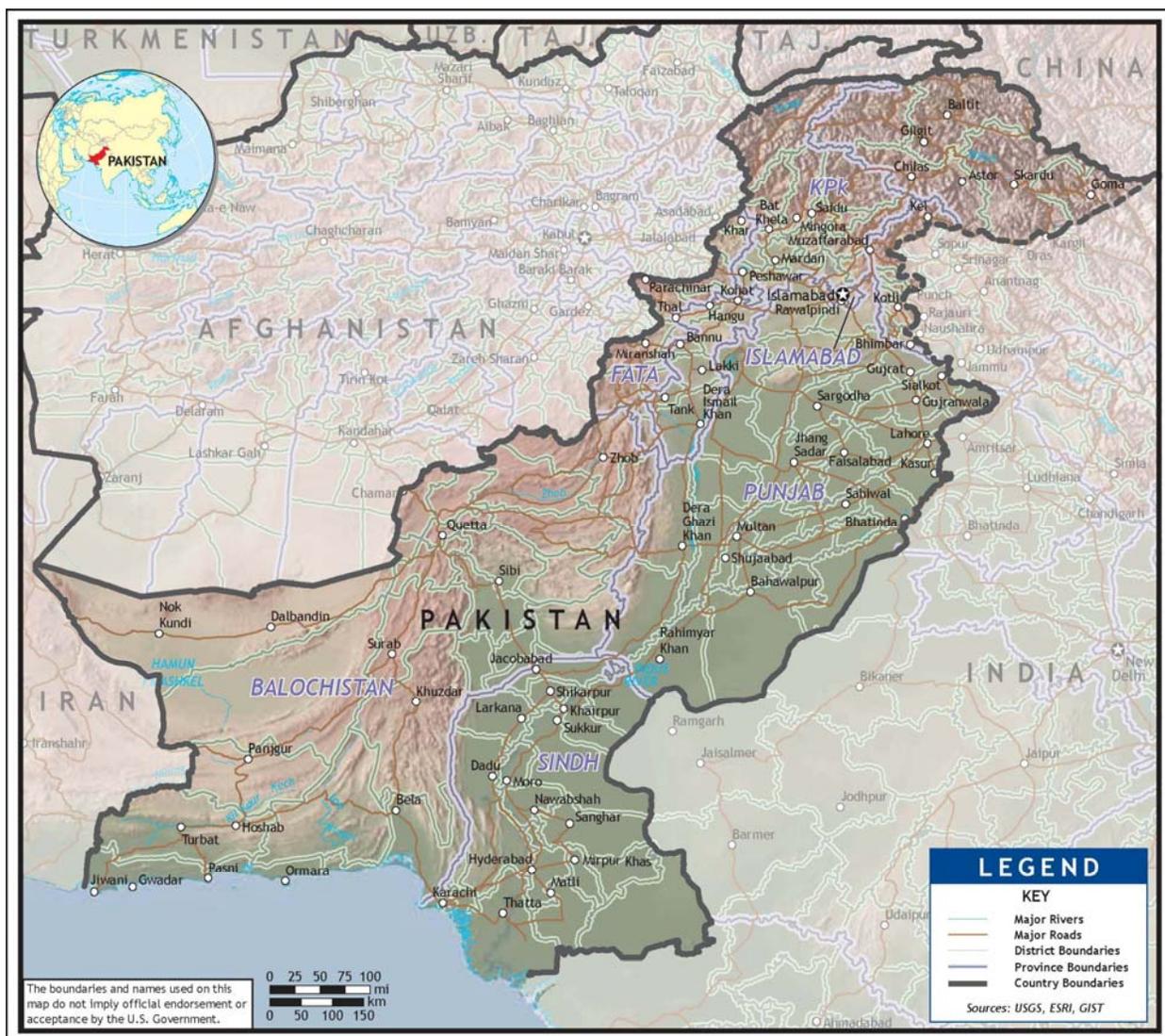
More recently the strategy has been further refined to prioritize assistance in key sectors: energy, economic growth and agriculture, stabilization, education, and health. Better governance is a cross-cutting goal that is an integral part of all programs.

The U.S. Government has committed to the Government of Pakistan to direct as much of its assistance as possible through Pakistani institutions, particularly government ministries, with the goal of using and improving Pakistani systems, and promoting sustainability. The FY 2010 spending plan shows about 50 percent of the resources going through government systems.

² U.S. Embassy Islamabad, “U.S. Helps Flood Victims,” press release, January 6, 2011.

³ The Department of State developed a strategy (*Pakistan Assistance Strategy Report*, December 14, 2009) 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.

Figure I. Map of Pakistan



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

Program Status

The U.S. departments and agencies delivering development assistance in Pakistan are designing and implementing programs to accomplish the objectives of the U.S. Government's civilian assistance strategy. The following sections update the status of 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 U.S. Embassy reported that as of March 31, 2011, \$4.470 billion in FY 2009, 2010, and 2011 funds had been obligated to support the civilian assistance strategy (Table I). Of this amount, \$310.5 million in FY 2011 funds was obligated.

Table I. Program Financial Status as of March 31, 2011
(\$ Millions)

| Program | Manager | Obligations | | | | Pipeline Amount* |
|--|---|-------------|-----------------|-------------|--------------|------------------|
| | | FY 2009 | FY 2010 | FY 2011 | Total | |
| Flood Response: Emergency Relief and Early Recovery | | | | | | |
| 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 | 20.0 |
| Humanitarian programs – Office of Foreign Disaster Assistance (OFDA) | USAID | – | 211.7 | – | 211.7 | 32.0 |
| 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 | DOD | – | 113.0 | – | 113.0 | 5.0 |
| Subtotals | | – | 578.0 | 95.8 | 673.8 | 57.0 |
| High-Impact, High-Visibility Infrastructure | | | | | | |
| International Trade Administration, Department of Commerce (DOC) | DOC | 0.8 | 3.8 | – | 4.6 | 1.1 |
| Foreign Agriculture Programs | U.S. Department of Agriculture | 44.0 | 51.8 | – | 95.8 | 39.0 |

| 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 | 8.8 |
| Federally Administered Tribal Areas (FATA) roads, bridges | NAS | 15.0 | – | – | 15.0 | 12.2 |
| FATA roads (Swat, Ring Road) | NAS | 40.0 | – | – | 40.0 | 40.0 |
| Energy | USAID | 125.0 | 91.5 | – | 216.5 | 161.0 |
| Agriculture | USAID | 95.0 | 111.8 | – | 206.8 | 102.1 |
| Economic growth | USAID | 166.0 | 185.1 | – | 351.1 | 284.9 |
| Subtotals | | 490.8 | 444.0 | – | 934.8 | 649.1 |
| Focused Humanitarian and Social Services | | | | | | |
| Health/Water | USAID | 102.0 | 224.2 | – | 326.2 | 275.0 |
| Health | USAID | – | 29.7 | – | 29.7 | – |
| Education | USAID | 163.5 | 209.5 | – | 373.0 | 366.4 |
| Humanitarian assistance | USAID | 209.0 | 335.0 | – | 544.0 | 97.5 |
| Humanitarian programs – OFDA | USAID | 102.3 | 18.2 | 103.0 | 223.5 | 76.6 |
| World Food Programme | USAID | 55.4 | 99.8 | 29.1 | 184.3 | – |
| USAID transfer to the United Nations' Bhutto Commission | U.N. | 1.0 | – | – | 1.0 | – |
| Community Stabilization and Humanitarian Assistance Fund | DOD/ 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 | – | 101.6 | – |
| Afghan Refugees | POL | 74.7 | 45.3 | – | 120.0 | – |
| Fulbright | PAS | 19.5 | 19.5 | – | 39.0 | 19.5 |
| Other exchanges | PAS | 5.0 | 6.0 | – | 11.0 | – |
| Public diplomacy operating expenses | PAS | 2.0 | 2.0 | – | 4.0 | – |
| Subtotals | | 805.0 | 1,036.0 | 132.1 | 1,973.1 | 845.3 |
| Government Capacity Improvement | | | | | | |
| 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 | 79.3 |

| 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 | 1.3 |
| Democracy – National Endowment for Democracy | POL | 4.3 | 3.4 | 1.2 | 8.9 | 3.0 |
| Counternarcotics | NAS | 3.0 | 5.5 | – | 8.5 | 8.5 |
| Border Security (Aviation) | NAS | 37.0 | 52.0 | – | 89.0 | 52.3 |
| Border Security (Commodities, Training) | NAS | 0.2 | – | – | 0.2 | 4.7 |
| Police/law enforcement training/rule of law | NAS | 51.0 | 106.6 | – | 157.6 | 150.9 |
| Demand Reduction/Awareness | NAS | 0.5 | 1.5 | – | 2.0 | 2.2 |
| Program development support | NAS | 9.8 | 4.4 | – | 14.2 | – |
| Counterterrorism | Regional Security Office (RSO), U.S. Embassy | 11.8 | 15.4 | – | 27.2 | 18.7 |
| Biosecurity Engagement | Economic Affairs Section, U.S. Embassy | 12.5 | 16.0 | 1.5 | 30.0 | 10.6 |
| U.S. Institute of Peace (USIP) | USIP | – | 0.9 | – | 0.9 | 0.1 |
| Democracy/Governance | USAID | 40.0 | 90.4 | – | 130.4 | 230.5 |
| Office of Transition Initiatives | USAID | 68.0 | 23.4 | – | 91.4 | 27.3 |
| Subtotals | | 315.1 | 423.0 | 75.6 | 813.7 | 589.4 |
| Other Programs | | | | | | |
| Strategic communications | DOD | 7.0 | 7.0 | 7.0 | 21.0 | – |
| Strategic communications | PAS | 30.9 | 23.0 | – | 53.9 | 27.0 |
| Subtotals | | 37.9 | 30.0 | 7.0 | 74.9 | 27.0 |
| Totals | | 1,648.8 | 2,511.0 | 310.5 | 4,470.3 | 2,167.8 |

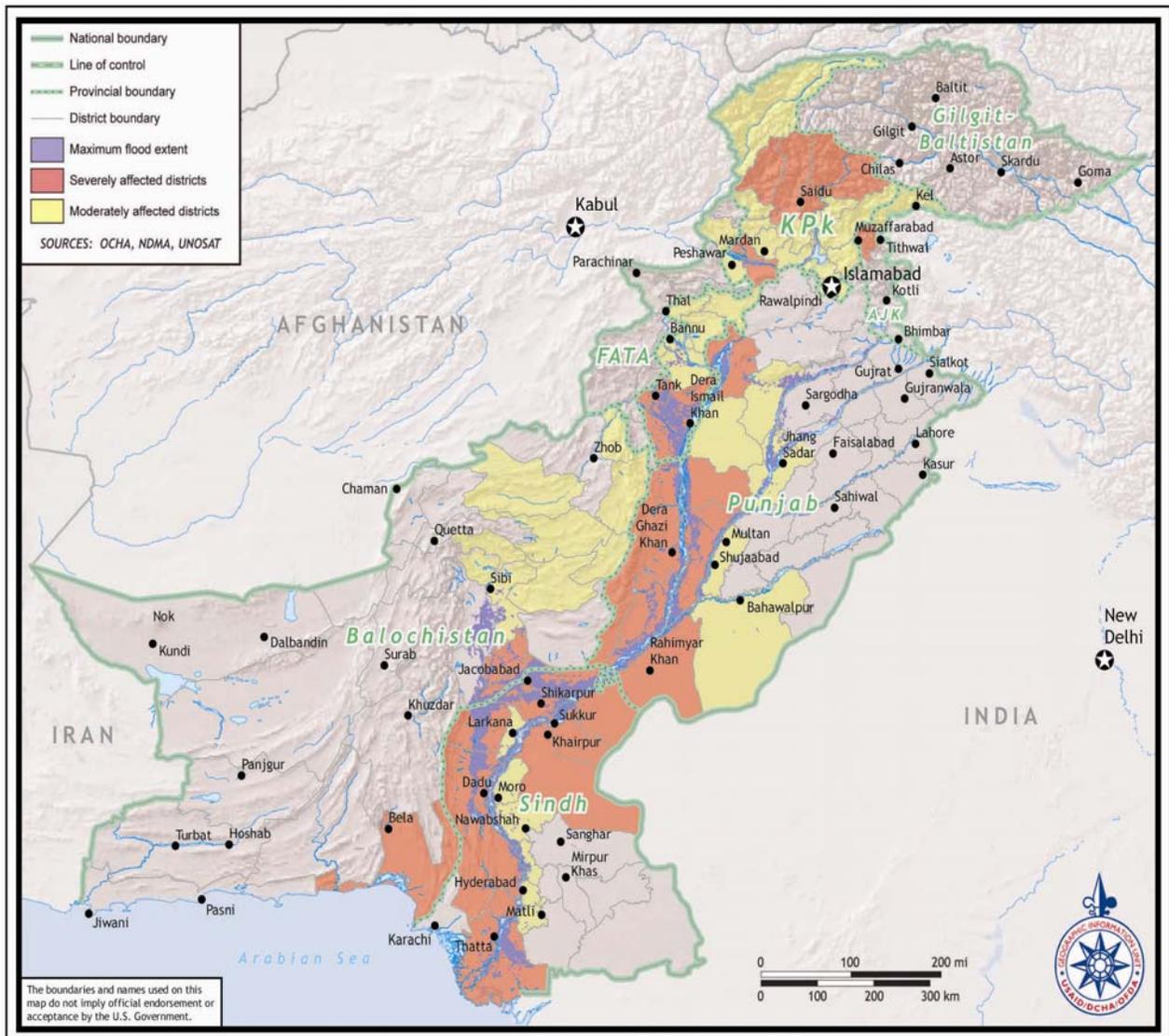
Source: U.S. Embassy Islamabad.

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

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 move from relief to recovery and reconstruction. Table 2 lists USAID's 25 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 March 31, 2011

| Implementing Partner | Program Description | Status and Funding |
|--|---|--|
| International Organization for Migration (IOM), Creative Associates, Internews | Quick Impact Infrastructure in FATA | Completed; \$8 million |
| U.N. Population Fund (UNFPA) | Reproductive health and hygiene kits for women in flood-affected areas | In progress; \$6 million—80% of health and hygiene kits supplied, 20% will be completed by the end of May 2011 |
| UNICEF | Maternal and child health activities including providing safe drinking water in flood-affected areas | Completed; \$2 million |
| Pakistan Poverty Alleviation Fund | Procurement and distribution of relief supplies for flood-affected people | Completed; \$2.7 million |
| Rural Support Programmes Network | Procurement and distribution of relief supplies for flood-affected people in Sindh | Completed; \$2.3 million |
| Provincial Governments of Punjab, Sindh, Khyber Pakhtunkhwa, Balochistan | Municipal Services Delivery Program rehabilitating flood-affected infrastructure | In progress; \$10 million |
| Aga Khan University | Mobile health teams and nutritional support in flood-affected areas | In progress; \$6.4 million—50 camp sites are operational in flood-affected districts |
| World Health Organization (WHO) and U.N. Children’s Fund (UNICEF) | Immunizations for polio and measles in flood-affected areas | In progress; \$5.6 million—3 polio campaigns and a measles campaign conducted |
| World Bank | Multi-Donor Trust Fund for reconstruction in border areas providing funding to repair flood-damaged facilities | In progress; \$25 million—portion for flood recovery is to be determined |
| IOM | Capacity building and procurement of relief supplies for the National Disaster Management Authority | In progress; \$5.8 million |
| 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 |
| 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 from existing project resources |
| Mennonite Economic Development Associates | Entrepreneurs Program supporting women’s microenterprises in vulnerable areas | In progress; \$2.2 million from existing project resources |
| To be determined (through a competitive bidding process, per U.S. regulations) | Renovation of flood-affected tuberculosis facilities and restocking their medicines and equipment | In progress; \$7.2 million |
| APEX Consulting | Monitoring of USAID-funded flood assistance activities in Sindh | In progress; \$150,000 |

| Implementing Partner | Program Description | Status and Funding |
|--|---|---|
| Community Uplift Program | Monitoring of USAID-funded flood assistance activities in Balochistan | In progress; \$150,000 |
| Voice Tel Tech | Monitoring of USAID-funded flood assistance activities in Punjab and Khyber Pakhtunkhwa | In progress; \$150,000 |
| Aurat Foundation | Gender Equity Program | In progress; \$374,410 for flood-related projects—23 grants awarded |
| National Rural Support Programme | Small Grants Program for unsolicited proposals and Chief of Mission Fund | In progress; \$780,876 for flood-related projects—8 grants awarded |
| Government of Pakistan (Cabinet Secretariat; National Database and Registration Authority) | Citizen's Damage Compensation Fund for assistance to flood-affected households | In progress; \$190 million—World Bank is leading coordination and negotiating with other donors and the Pakistani Government |
| Provincial Government of Punjab | Southern Punjab Basic Education Program providing support to flood-affected schools | In progress; \$10 million for flood-affected schools (part of existing program, plus an additional \$40 million for floods) |
| Provincial Government of Sindh | Sindh Education Program providing support to flood-affected schools | Proposed; \$40 million for flood-affected schools (use of reprogrammed funds requires congressional renotification) |
| Government of Pakistan, FATA Secretariat, and Frontier Works Organization | Quick Impact Program in South Waziristan | Proposed; \$24.5 million for flood-damaged roads and bridges (requires congressional renotification) |
| Government of Khyber Pakhtunkhwa, Provincial Reconstruction, Rehabilitation and Settlement Authority | Quick Impact Program in Malakand | Proposed; \$41 million (\$18 million for irrigation systems repair in Swat, \$6.5 million for Ayub Bridge replacement in Swat, and \$16 million for road and bridge rehabilitation in Malakand) |

Source: USAID/Pakistan.

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

- The U.S. Mission in Pakistan has identified up to \$500 million in FY 2009 and FY 2010 funds that are being reprogrammed, pending final congressional approval, to support the Government of Pakistan's flood recovery efforts.
- As part of the above-mentioned \$500 million effort, the Entrepreneurs Program is providing livelihood recovery support to 34,000 mostly women-headed families affected by floods.
- The Firms Project has also provided grant assistance under the \$500 million effort to 234 Swat hotels and 22 fisheries to help them rebuild from flood damage in time for the upcoming tourist season.

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 and agriculture—energy because all businesses rely on it, 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), the U.S. Department of Commerce (DOC), and the U.S. Embassy’s Public Affairs Section (PAS) support programs under this category of assistance.

USAID has 24 high-impact, high-visibility programs—1 completed during the quarter, 22 under way, and 1 in the planning stage. 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 to meet growing energy demands. USAID’s current programs also support Pakistan’s provincial governments with water management and irrigation for agriculture, supply, 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 March 31, 2011

| Implementing Partner | Program Description | Status |
|---|---|---|
| Knowledge Platform, SMC-PVT, Limited | Development of a model and implementation of a plan for the transformation of the agricultural supply chain in Swat | Completed |
| Water and Power Development Authority (WAPDA) | Satpara Dam, hydropower and irrigation | Current; agreement signed January 7, 2011; Secretary certification submitted to Congress* |
| WAPDA | Gomal Zam Dam, hydropower and transmission line completion | Current; Secretary certification submitted to Congress;* disbursing funds |
| WAPDA | Gomal Zam irrigation (agriculture) | Current; preparing to conduct environmental assessment |
| WAPDA | Tarbela hydroelectric power station rehabilitation | Current; disbursing funds; to install equipment in early 2011 |
| Ministry of Water and Power, Power Generation Company (GENCO I) | Jamshoro thermal power station repair and maintenance | Current; disbursing funds; received equipment |
| GENCO II | Muzaffargarh thermal power station repair and maintenance | Current; disbursing funds; received equipment |
| GENCO III | Guddu thermal power station repair and maintenance | Current |

| Implementing Partner | Program Description | Status |
|--|---|---|
| WAPDA | Wind-power generation project in Sindh | Current; signed agreement in Nov. 2010; Overseas Private Investment Corporation also funding |
| International Resources Group | Irrigation Tubewell Efficiency Improvement Program | Current; first 420 tubewells under pilot program completed Nov. 2010; disbursing funds |
| Provincial Government of Balochistan | Balochistan surface water management (agriculture) | Current; completed initial implementation assessment; delayed due to security concerns |
| Ministry of Food and Agriculture | High-Efficiency Irrigation Systems Program | Current; funding delayed until FY 2011 at Government of Pakistan's request |
| Provincial Government of Sindh | Water supply and sanitation programs in Jacobabad | Current; \$630,00 obligated; working with District Coordination Officer for necessary approvals |
| Provincial Government of Khyber Pakhtunkhwa | Water supply and sanitation programs in Peshawar | Current; \$581,692 obligated; engineering assessment of water supply distribution system completed; engineering assessment of sanitation system under way |
| Ministry of Health and Provincial Government of Punjab | Lady Willingdon Hospital | Current; most rehabilitation plans complete and Secretary certification submitted to Congress* |
| Ministry of Health and Provincial Government of Sindh | Jacobabad Civil Hospital | Current; initial assessment complete; detailed assessment under way and Secretary certification received* |
| Ministry of Health and Provincial Government of Sindh | Jinnah Postgraduate Medical Center OB-GYN/Fistula Ward | Current; assessment and design complete; ground breaking in April, and Secretary certification received* |
| Winrock International | Karachi warehouse to store contraceptive supplies | Current; construction approximately 66 percent complete, with completion expected by June 2011; disbursing funds |
| Habib-Rafique (Pvt.) Ltd./CDM Constructors, Inc. | Construction of Parliamentary Institute | Current; construction approximately a month ahead of schedule; disbursing funds |
| Provincial Governments of Punjab, Sindh, Khyber Pakhtunkhwa, Balochistan | Municipal Services Delivery Program | Current |
| IOM, Creative Associates, Internews | Pakistan Transition Initiative in FATA/Quick Impact Infrastructure in FATA | Current; disbursing funds; 1,400 activities under way or completed, including 400 village water systems, 225 flood walls, 150 school renovations, and 1.5 million person-days of employment generated |
| Government of Pakistan, FATA Secretariat, Frontier Works Organization | Quick Impact Program in South Waziristan (road, water, and electricity) | Current; additional funds disbursed in Feb. 2011 for reconstruction of flood-affected roads and bridges |
| Provincial Government of Khyber Pakhtunkhwa and Provincial Reconstruction, Rehabilitation and Settlement Authority | Quick Impact Program in Malakand (schools, health, water and sanitation, government capacity) | Current; disbursing funds; construction has begun on 49 schools |

| Implementing Partner | Program Description | Status |
|----------------------|--|----------------|
| WAPDA | South Waziristan, D.I. Khan irrigation (agriculture) | Planning stage |

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 recently received approval of its performance management plan at the objective level. USAID reported that it is collecting project-level indicators and targets to link project activities to the objective-level targets, and further noted that the total list of targets for the objective level cannot be finalized until the activity-level indicators and targets are fully established. 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 MW; results will trickle in starting in May 2011, when projects start to be completed and carry on through 2013 as more projects are completed).
- Increase in the supply of fuel by the Government of Pakistan to target higher-efficiency power plants (target: fuel savings estimated at 150,000 barrels of oil; preliminary results: 6,000 barrels of oil with project in progress).
- Number of schools and health facilities constructed with U.S. Government assistance (target: 23; result: 10 school sites in Malakand and 17 basic health units have been designed, with construction beginning for both schools and health units).

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

- Significant progress has been made on the six signature energy projects announced by Secretary Clinton involving rehabilitation and new 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 to allow power-generating companies to procure maintenance and rehabilitation items directly, in accordance with Pakistani Government regulations, thereby expediting procurement. A USAID contractor will review the procurements made under the

amended agreements. In total, \$5 million has been disbursed for these three power plant rehabilitation efforts.

- USAID/Pakistan's agricultural sector framework and implementation plan was developed in February 2011 and later incorporated and approved by interagency and USAID leaders as a major component of a broader economic growth strategy.
- To address congressional concerns raised about the safety of the Satpara Dam, USAID/Pakistan arranged a safety inspection by the Bureau of Land Reclamation. This inspection determined that the dam met design specifications and that the overall design was fully consistent with international design standards for earth-filled dams. USAID/Pakistan is developing the final environmental mitigation and monitoring plan to ensure compliance with U.S. environmental regulations.
- USAID/Pakistan's Agriculture Office is preparing agreements with the Government of Pakistan and the environmental assessments necessary to enhance water storage capacity and bring 191,000 acres under irrigation around the Gomal Zam Dam. USAID plans to provide reimbursement for a percentage of the following work: preparatory work to include feasibility studies and construction of a water diversion barrage and a 60-kilometer main canal and related secondary canals. USAID expects that \$40 million will be obligated for this activity.
- The Entrepreneurs Program supporting women's microenterprise in vulnerable regions has thus far assisted 20,000 women. A third cycle of microgrants will be issued to women in conflict-affected communities in the near term. An impact assessment—conducted using a sample of 240 conflict-affected beneficiaries from the first cycle—shows an anticipated increase in average monthly income of 5,659 rupees (approximately \$66). A monitoring and evaluation effort to determine income benefits from the second and third cycles, and to confirm increases in the income of first-cycle beneficiaries, is under way.
- USAID signed a transfer agreement to provide the Department of the Treasury with \$1.78 million to support two residential advisers and one intermittent adviser to Pakistan's Ministry of Finance, Ministry of Economic Affairs and Statistics, and the State Bank of Pakistan. Resident advisers from the Department of the Treasury's Office of Technical Assistance will provide expert guidance and training to build capacity in the Government of Pakistan for managing sovereign debt, developing the commercial paper market, and combating economic crimes. In order for the Department of the Treasury to place its first adviser in Islamabad, planned for March 2011, it submitted to the Government of Pakistan the terms of reference describing the adviser's program. The Department of the Treasury awaits approval of the first adviser's terms of reference. The Department will place the second resident adviser in the State Bank of Pakistan in Karachi. The Department has not submitted the terms of reference to the Government of Pakistan for the second adviser. Advisers will relocate to Pakistani only after the Government of Pakistan approves their terms of reference.

USAID also reported the following challenges to the implementation of its energy and agricultural programs:

- As noted last quarter, progress on implementing high-efficiency irrigation systems through a government-to-government mechanism stalled after the Government of Pakistan asked that this program be delayed until 2011, as flood recovery needs were more immediate. Also, although the Pakistani Government's Central Development Working Party has approved the amended proposal for high-efficiency irrigation, the proposal awaits final approval from Pakistan's Executive Committee of the National Economic Council.⁴
- Because of the political situation in Lahore, meetings related to the Smallholder Dairy Program were significantly delayed.

USDA. USDA's programming in this category focuses on modernizing agricultural infrastructure. In September 2010, USDA signed 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 is scheduled to begin in April 2011.

As reported in June 2010, USDA's Agricultural Investment Strategy, a plan for the investment of resources to support agricultural development in 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 in March 2011, 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.

DOC. DOC programs focus on trade and investment promotion. During the reporting period, as part of its market research program (supported by USAID), DOC completed two sector reports on transportation and telecommunications. An additional study focusing on the investment climate for Pakistan's alternative energy sector was in the draft stage. Also, DOC's second investment promotion program has delivered detailed project studies for potential investments.

DOC also reported that an investment seminar for the agricultural and dairy sectors scheduled for February was postponed due to political considerations. Moreover, the concern for physical security continues to deter American business executives from traveling to Pakistan—a significant challenge to attracting new investors and commercial ventures.

PAS. PAS reported on two programs related to high-impact, high-visibility infrastructure: the procurement of electronic governance infrastructure, and radio transmitter towers. Unlike in previous quarters, PAS did not report progress on reestablishing public diplomacy (American) centers as security and access concerns have called the plans into question.

⁴ As this report was being finalized, USAID was informed that the amended proposal was no longer being considered. USAID will be evaluating the impact of this political decision of the Pakistani Government.

PAS reported on building a National Data Center for Pakistan, which will enable the government to use e-mail, Web-hosting, and file-archiving technology. Although previously scheduled for March 2011, signing of the activity agreement is now scheduled to occur next quarter. This project is an initiative of the Communications and Public Diplomacy Working Group of the U.S.-Pakistan Strategic Dialogue, administered jointly by PAS and USAID.

PAS and USAID are reviewing plans to construct an AM radio transmitter for Radio Pakistan, which would serve Balochistan. (This is in addition to the \$7 million radio transmitter tower program already being implemented in Khyber Pakhtunkhwa and FATA.) Like the National Data Center, the AM transmitter is an initiative stemming from the Strategic Dialogue. However, because approximately \$5 million of the funds formerly assigned to the project have been reassigned to flood relief activities, this effort will be scaled down or replaced with another, similar project.

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 ongoing 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 30 programs for immediate postcrisis and humanitarian assistance—4 were completed during the quarter, 25 were under way, and 1 was in the planning stage. Programs provided cash transfers for housing damage assistance 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 March 31, 2011

| Implementing Partner | Program Description | Status |
|-----------------------------|---|---|
| Khushhali Bank | Grants to businesses affected by violence and flooding, Bolton Market, Karachi | Completed; grants made to businesses destroyed by Bolton Market fire |
| World Food Programme | Emergency operations in Pakistan, including support for IDPs in Hunza | Completed |
| World Food Programme | Food Security Relief Program in Pakistan | Completed |
| UNICEF | Maternal and child health, safe drinking water in flood-affected areas | Completed |
| FAO | Seed and fertilizer distribution to flood-affected farmers in Khyber Pakhtunkhwa, Punjab, and Balochistan | Current; distribution of supplies completed; the cash for work component is going to clean watercourses |

| Implementing Partner | Program Description | Status |
|--|---|---|
| Government of Pakistan | Cash transfer to assist 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; continuing to disburse rupees while monitoring and helping build the authority's capacity to implement the program |
| Government of Pakistan | Cash transfer for the Benazir Income Support Program | Current; \$63 million rupees distributed; continuing to monitor the program |
| Aga Khan University | Mobile health teams and nutritional support in flood-affected areas | Current; 50 medical camps providing free medical care and medicines to people in flood-affected districts |
| UNFPA | Reproductive health and hygiene kits for women in flood-affected areas | Current; distribution of health and hygiene kits 80% completed, 20% kits to be distributed by end May 2011 |
| WHO and UNICEF | Immunizations for polio and measles in flood-affected areas | Current; three polio and one measles campaign conducted |
| 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, and three projects will begin soon (livelihoods and economic opportunity) |
| Pakistan Poverty Alleviation Fund | Procurement and distribution of relief supplies for flood-affected people | Current; funds disbursed |
| Rural Support Programmes Network | Procurement and distribution of relief supplies for flood-affected people in Sindh | Current; funds disbursed, and seeds to be distributed |
| IOM | Capacity-building and procurement of relief supplies for flood-affected people on behalf of the National Disaster Management Authority | Current; funds disbursed |
| Chemonics | Firms Project assistance to small and medium-sized 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, supporting Swat hotels and fisheries damaged by floods |
| CHF International, Inc. | Livelihood Development Program in lower FATA | Current; disbursed approximately 33 percent of funding |
| Associates in Development | South Waziristan Agency Monitoring and Evaluation Contract | Current |
| Pakistan Broadcasting Corporation | Radio transmission support to Khyber Pakhtunkhwa and FATA | Current; rehabilitation of sites began first quarter 2011 |
| CDM Constructors, Inc. | Pakistan Reconstruction Project (earthquake) | Current; 26 schools and 15 health units completed (20 schools and one hospital pending) |
| Winrock International | Community Rehabilitation Infrastructure Support Program | Current |

| Implementing Partner | Program Description | Status |
|---|---|--|
| UNICEF | Child Protection Center | Current |
| Mennonite Economic Development Associates | Entrepreneurs Program supporting women's microenterprises in vulnerable areas | Current; over 25,000 households have received microgrants |
| Government of Pakistan | Citizen's Damage Compensation Fund for assistance to flood-affected households | Current; World Bank is negotiating with the GOP and other donors |
| U.N. Secretariat | Support for the Office of the Special Envoy of the Secretary General for Assistance to Pakistan | Current; grant extended in January 2011 |
| To be determined | Renovation of flood-affected tuberculosis facilities and restocking their medicines and equipment | Current |
| APEX Consulting | Monitoring of USAID-funded flood assistance activities in Sindh | Current |
| Community Uplift Program | Monitoring of USAID-funded flood assistance activities in Balochistan | Current |
| Voice Tel Tech | Monitoring of USAID-funded flood assistance activities in Punjab and Khyber Pakhtunkhwa | Current |
| To be determined | Support to families and communities that suffer from 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 recently approved performance indicators. USAID recently received approval of its performance management plan at the objective level. USAID reported that it is collecting project-level indicators and targets to link project activities to the objective-level targets, and further noted that the total list of targets for the objective level cannot be finalized until the activity-level indicators and targets are fully established. The following performance indicators differ from those previously reported for this category of assistance, but given the nature of flood response activities—from relief to early recovery and reconstruction—the identified indicators are dynamic and may be updated or replaced as necessary. USAID reported that it expects flood relief activities to be completed by November 2011.

- Health camps established for flood victims (target and result: 50 health camps; this target was set in the agreement, results reported by partner and verified by three independent firms in four provinces).
- Increased availability of reproductive health supplies and services for flood-affected populations (target and result as set forth in agreement with UNFPA: 12 flood-affected districts were supplied with life-saving reproductive health supplies, benefiting over 25,000 people. This has been verified by three independent firms in four provinces. In addition, 1,500 reproductive health kits, 8,200 hygiene kits, and 31,100 newborn kits were supplied to health-care providers in flood-affected districts).
- Provide measles vaccinations to children in flood-affected areas (target and result: 8 million includes vaccinations for measles, polio, tuberculosis (Bacillus Calmette-Guérin), tetanus, and pentavalent; this target was set in the agreement, and results were reported by the partner and verified by three independent firms in four provinces).

- Supplementary livestock feeding and supplies (target and result: 50,000 beneficiaries; this target was set in the agreement, and results were reported by the partner and verified by three independent firms in four provinces).
- Desilting of farm irrigation infrastructure (target and result: Per agreement with FAO, over 90,000 households benefited from desilting techniques in Balochistan; data has been verified by an independent firm in Balochistan).
- Number of beneficiaries assisted by USAID-supported humanitarian assistance for victims of conflict and natural disasters (target and result: the beneficiary number is over 11 million Pakistanis, under the emergency agriculture input distribution to flood-affected farmers in Balochistan, Khyber Pakhtunkhwa, Punjab, and Sindh Provinces, as well as health and other emergency relief efforts).

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

- The Entrepreneurs Program provides livelihood recovery support to 34,000 mostly women-headed families affected by floods. The program is providing \$2.2 million in assistance to households active in sectors selected for development: dairy, honey, embellished garments, and medicinal and aromatic plants. Needs assessments for flood-affected female beneficiaries selected in the honey and medicinal and aromatic plants sectors are ongoing. So far, 6,000 female artisans who lost their inventories and small capital assets have received microgrants to build back their inventories and generate cash. Another 15,570 dairy farmers in Dadu and Larkana Districts have received microgrants for vaccinations against foot and mouth disease, oat seeds, mineral mixtures, and fertilizers to help them maintain the productivity and health of their animals. This immediate assistance is expected to increase the milk yield by 17 ounces a day per animal.
- The Firms Project's efforts to boost mango exports resulted in the first dry mango product retailed in the United States. The project devised a trial shipment and assistance plan for sending commercial shipments to high-end buyers in the European Union, the United Kingdom, and other promising markets for the 2011 mango season. An expression of interest was recently published in the national newspapers for engaging mango exporters and farmers certified in Global Good Agricultural Practice for this season's mango shipments.

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

This category of assistance aims to provide better 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 improve facilities, bring more girls into the classroom, increase the use of new educational technologies, 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 25 programs to support education and health services—3 were recently completed, 17 are under way, and 5 are in the planning stage. These programs focus on improvement in basic and higher education, maternal and child health, family planning, and polio eradication. (Another two programs were cancelled due to USAID’s consolidation of its portfolio of programs.) Table 5 lists USAID’s programs for education and health.

Table 5. USAID’s Programs for Education and Health Services as of March 31, 2011

| Implementing Partner | Program Description | Status |
|---|--|--|
| John Snow, Inc., Research and Training Institute | Pakistan Initiative for Mothers and Newborns | Completed |
| Abt Associates | Pakistan Safe Drinking Water and Hygiene Project | Completed |
| Forman Christian College | Scholarships for men and women from vulnerable and underserved areas | Completed program; negotiating a follow-on program to build a women’s dormitory |
| AED | Pre-Service Teacher Education Program (Pre-STEP) | Current; ongoing for 2 years—program will be shifted to a new contractor by April 6, 2011 |
| American Institutes for Research | Links to Learning—Education Support to Pakistan (Ed-LINKS) | Current; contributing to flood recovery |
| Rafi Peer Theatre Workshop | Children’s Television Program providing interactive teaching and learning | Current |
| National Academy of Sciences | Pakistan and U.S. Science and Technology Cooperation | Current; funding disbursed |
| AED | Financial Aid Development Program for Higher Education Commission | Current; program to be terminated by April 6, 2011 |
| American University Washington College of Law | Collaborative capacity building for human rights and gender | Current; program to be terminated by September 30, 2011 |
| Government of Pakistan | Budget support to Higher Education Commission | Current; dollars disbursed and FY 2010 program content under negotiation |
| Government of Pakistan | Fulbright scholarships (through DOS) | Current; funding disbursed |
| Population Council | Family Advancement for Life and Health Program for the diversification of family planning activities | Current; to be completed in December 2011 |
| Commodities Supply and Logistics—multiple implementing partners | Contraceptive commodities for the Ministries of Health and Population Welfare | Current; obligated \$29,754,000 for procurement of condoms, oral pills, intrauterine devices and injectables |
| John Snow, Inc. | Contraceptive logistic support | Current; plan completed for procuring commodities in 2011 and software prepared for the logistic management information system |
| UNICEF, WHO | Polio eradication initiative | Current; three polio campaigns conducted, distributing over 253 million doses of polio vaccine |

| Implementing Partner | Program Description | Status |
|---|--|--|
| Royal Netherlands Tuberculosis Association (Koninklijk Nederlandsche Centrale Vereeniging, or KNCV) | Tuberculosis Control Assistance Program and National Prevalence Survey | Current; tuberculosis prevalence survey is to be completed by December 2011 |
| Pathfinder International | Involvement of religious leaders in health and development, extending service delivery | Current |
| Centers for Disease Control and Prevention | Pakistan Field Epidemiology and Laboratory Training Program | Current; ongoing for 4 years, fourth cohort of students inducted for training |
| Health Services Academy of Pakistan | Developing and strengthening institutional capacity in public health training and research | Current; ongoing for 2.5 years—scope of grant was recently enhanced |
| Save the Children | Improve children's health in FATA | Current; ongoing for 4 years |
| National Institute of Population Studies (Pakistan) | Demographic and Health Survey | Planning stage; in negotiations; the Government of Pakistan approved the proposed activity |
| Government of Pakistan | Maternal and child health, family planning, and immunizations | Planning stage; in negotiations |
| To be determined | Higher education and training in health | Planning stage; in negotiations |
| Provincial Government of Punjab | Southern Punjab Basic Education Program | Planning stage; in negotiations, will include flood-affected schools |
| Provincial Government of Sindh | Sindh Education Program | Planning stage; in negotiations, will include flood-affected schools |
| Government of Pakistan | Integrated disease surveillance system | Cancelled; USAID is now focusing health assistance on the delivery of key health services through provincial governments, as delivery of health services will be the responsibility of the provinces |
| International School of Islamabad | International School of Islamabad | Cancelled |

Source: USAID/Pakistan.

In response to USAID OIG's request for information on the progress of these programs, USAID provided its recently approved performance indicators. USAID recently received approval of its performance management plan at the objective level. USAID reported that it is collecting project-level indicators and targets to link project activities to the objective-level targets, and further noted that the total list of targets for the objective level cannot be finalized until the activity-level indicators and targets are fully established. USAID 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 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 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.
- Under the Merit and Needs-Based Scholarship Program, 1,807 students are continuing their education. Furthermore, the Higher Education Commission, in collaboration with 11 universities, is conducting an outreach program to offer more scholarships to female students in remote areas.

Despite the aforementioned successes, USAID also reported a number of problems, some repeated from last quarter, 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 will be devolved to provincial governments by June 30, 2011. The Ministry of Population Welfare closed its doors in December 2010. There is insufficient guidance from the Government of Pakistan on expected roles and responsibilities of federal, provincial, and district government actors in the health sector. The Government of Pakistan is identifying 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.
- Negotiations with the Provincial Government of Punjab to refine the precise activities and flow of funds for the Southern Punjab Basic Education Program continue. By the end of 2011, USAID expects to provide \$6.25 million to the provincial government for first year of the program.

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 U.N. World Food Programme grants totaling an estimated

\$17 million. 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 in health units in the Jacobabad District to pregnant and lactating mothers.

PAS. As reported last quarter, 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.

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, and the U.S. Embassy's PAS have programs to strengthen government capacity and improve governance.

USAID has 26 programs to improve government capacity at the national and local levels—19 are under way and 7 are in the planning stage. USAID's programs in this category of assistance support improvements in governance through an antifraud hotline 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 due to USAID's consolidation of 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 March 31, 2011

| Implementing Partner | Program Description | Status |
|------------------------------------|---|---|
| Transparency International | Antifraud Hotline | Current; hotline operational in Feb. 2011 |
| Transparency International | Anticorruption and Public Awareness Program | Current; ongoing since Jan. 2009 |
| International Republican Institute | Three nationwide polls | Current |

| Implementing Partner | Program Description | Status |
|--|---|--|
| International Foundation for Electoral Systems | Election Support Program | Current; to be completed next quarter |
| Aurat Foundation | Gender Equity Program | Current; 22 grants awarded to Pakistani Government and nongovernment organizations |
| National Rural Support Program | Small Grants Program for unsolicited proposals and Chief of Mission Fund | Current; 17 grants totaling over \$1 million awarded for community initiatives |
| Development Alternatives, Inc. | FATA Capacity Building Program | Current; contract complete this quarter; program will continue under new contract with a Pakistani organization; funds being disbursed |
| WAPDA | Pakistan Energy Indefinite Quantity Contract to provide policy reform advisers to support the USAID/Government of Pakistan energy partnership | Current; funds being disbursed |
| International Resources Group/Pakistan Electric Power Company | Power Distribution Improvement Program to improve management capacity, financial systems, billings and collections of distribution companies | Current; operational audits under way; funds being disbursed |
| FAO | Assistance to Balochistan to improve livelihoods and food security | Current; funds half-disbursed |
| Dairy and Rural Development Foundation (cofinanced by Nestle Pakistan and USAID) | Dairy Development Initiative/Rural Development Fund to improve milk production and marketing | Current; agreement signed in January 2011; 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; technical support |
| Advanced Engineering Associates International | Energy policy and capacity building | Current; technical support |
| USDA | Improve production and marketing of commodities, enhance Government of Pakistan research and extension work, help eradicate agricultural diseases | Current; agreement for fiscal year 2010 in development |
| Deloitte Consulting, LLC | Improve customs procedures and Pakistani Commercial Service to increase exports and trade at Afghan border | Current; approximately 25 percent disbursed |
| Ministry of Finance | Competitive Support Fund advisers provide technical assistance on policy decisions, regulatory frameworks, and public-private partnerships | Current; ongoing 4.5 years; funds being disbursed and a follow-on activity in the planning stage |
| U.S. Department of the Treasury | Tax, debt, and banking regulation advisers to the Government of Pakistan | Current; agreement signed |
| Multiple implementing partners (blanket purchasing agreement) | Technical advisers embedded in Ministry of Health and provincial units | Current |
| State Bank of Pakistan (others to be determined) | Access to finance program for small and medium-sized enterprises | Current |
| To be determined | Political Party Development Program | Planning stage; applications due April 4, 2011 |

| Implementing Partner | Program Description | Status |
|--|--|--|
| To be determined | Religious tolerance | Planning stage; in negotiations |
| Election Commission of Pakistan | Building the election commission's capacity to maintain credible, accurate, and current electoral rolls | Planning stage; in negotiations |
| International Food Policy Research Institute | Strengthen domestic capacity for policy analysis and advocacy to increase agricultural productivity and food security and to reduce poverty | 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 |
| To be determined | USAID/Pakistan missionwide monitoring and evaluation program | Planning stage; expect to issue request for proposals |
| Ministry of Information Technology | e-Governance, National Data Center | Planning stage; supported by PAS Strategic Communications Fund |
| FATA Secretariat | Urban planning and systems for municipal governments in Bajaur Agency | Cancelled |

Source: USAID/Pakistan.

In response to USAID OIG's request for information on the progress of these programs, USAID provided its recently approved performance indicators. USAID recently received approval of its performance management plan at the objective level. USAID reported that it is collecting project-level indicators and targets to link project activities to the objective-level targets, and further noted that the total list of targets for the objective level cannot be finalized until the activity-level indicators and targets are fully established. USAID 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 identified 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 antifraud hotline was formally launched in February 2011 at a workshop USAID cosponsored for its Islamabad-based implementing partners on fraud awareness. The workshop also provided information about the hotline.
- The Small Grants Program and the Ambassador's Fund together distributed more than \$1 million to 17 civil society organizations throughout Pakistan, 11 of which provided post-flood assistance. All programs support community initiatives that respond to citizens' priorities.
- The Gender Equity Program awarded 22 grants totaling nearly \$900,000 to Pakistani NGOs and Pakistani Government organizations. The grants included 15 rapid response grants for flood-affected women in crisis, 5 grants for government-sponsored Women's Crisis Centers, and 2 grants for policy research in partnership with the National Commission on the Status of Women. To create a mechanism for government ownership and strategic direction, a National Advisory Forum has been launched with provincial and federal government representatives.

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

- The Provincial Reconstruction, Rehabilitation and Settlement Authority, the Government of Pakistan entity that is USAID's implementing partner on the Malakand Reconstruction Program, is new and lacks financial management experience, which has contributed to the delay in the release of U.S. assistance. USAID's FATA office is working closely with the Provincial Reconstruction, Rehabilitation and Settlement Authority to improve its capacity.
- 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 to 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, because of the political situation in Lahore, the trilateral meeting was cancelled and has not yet been rescheduled.

PAS. PAS continues to contribute to government capacity building through its communications programs. PAS reported on two programs, one supporting the development of regulatory policy for telecommunications and the other arranging government exchanges.

As noted last quarter, as an element of the National Data Center for Pakistan (described under high-impact, high-visibility programs), PAS will also assist the Ministry of Information Technology in building the legal infrastructure for a modern telecommunications regulatory policy. Because telecommunications policy development is a Strategic Dialogue initiative, PAS will facilitate consultations between Ministry officials and their counterparts in the United States.

PAS will also continue administration of exchanges for midcareer government professionals, including graduate degree programs for Pakistani diplomats, internships for journalists, and special international visitor leadership programs for government spokespersons and water resource managers. During the reporting period, PAS arranged three exchanges for 36 government officials, NGO staff, academics, and journalists who directly supported ongoing flood relief efforts. The leadership exchanges covered water supply and national disaster management and communications and the role of spokespersons.

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.

During the reporting period, NAS and the Government of Pakistan signed four letters of agreement totaling \$8.5 million. The funds will support the provision of commodities for the Balochistan police, the Anti-Narcotics Force, and a corrections program.

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
- Number of corrections officers trained

NAS reported the following successes for its current programs:

- *Number of hours flown by the Air Wing under the aviation program.* During the reporting period, the Air Wing program logged 597 hours. Missions of note included support of Pakistan Anti-Narcotics Force operations along the Iran and Afghanistan borders; support of the Frontier Corps, a paramilitary force in Pakistan recruited mostly from tribal areas and led by officers in the Pakistan army, in Balochistan and in Khyber Pakhtunkhwa; 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.
- *Number of law enforcement officials trained, number of police facilities reconstructed or rehabilitated, and amount of equipment delivered under the Civilian Law Enforcement Reform Program.* Four hundred and seventy-one law enforcement officials from across Pakistan received training on topics ranging from basic criminal investigations to training management.
- *Amount of equipment delivered under the Civilian Law Enforcement Reform Program.* A procurement of nearly \$15 million worth of commodities for the Khyber Pakhtunkhwa police is under way. Commodities worth nearly \$3.5 million were delivered to law enforcement agencies in FATA and Khyber Pakhtunkhwa. Commodities such as training supplies, generators, communication equipment, and appliances, valued at \$159,592, were ordered for the Islamabad police, the Anti-Narcotics Force, Frontier Corps, and other law enforcement entities.

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

- Police facilities across the country continue to be targeted, with police trainers being the targets of suspicion. Police trainers' names and passport numbers have been leaked to the press in articles alleging 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.
- Despite improvement last quarter, the Government of Pakistan is backsliding 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 reported on 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. During the reporting period, the RSO conducted ten courses and trained 192 officers. Two of the ten courses—on the protection of high-ranking officials and crisis response—were instructor development courses for Pakistani trainers.

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.⁵ The purpose of this shift is to:

- Align programs with locally identified priorities.
- Build Pakistanis' sense of ownership of programs.
- Build Pakistani institutional and leadership capacity for better fiscal management.
- Promote decentralization to more actively engage provincial and local partners and beneficiaries.
- Deliver on-budget assistance⁶ 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 6 months of FY 2011, it made an additional 25 awards totaling about \$182.2 million to Pakistani institutions (Table 7). USAID reported making 12 awards totaling approximately \$144.9 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.

⁵ 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)).

⁶ 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.

USAID reported that 64 percent of all ongoing projects support government-to-government activities. Initial plans to provide 45 percent of FY 2010 resources for such activities will be supplemented (pending final congressional approval) with funds from the \$500 million program being planned to support the Government of Pakistan’s flood recovery effort.

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 41 preaward assessments, including 6 this quarter on the following organizations:

1. Semiotics Consultants (Private) Limited
2. Ministry of Health— seven programs
3. Sindh Rural Support Organization
4. Agribusiness Support Fund
5. Trust for Democratic Education and Accountability
6. Balochistan provincial government—15 departments

USAID also reported that it had two preaward assessments under way, one for the Punjab provincial parliament and the other for the Auditor General of Pakistan.

Table 7. Assistance to Pakistani Institutions Since October 1, 2011

| Type | Number of Awards | Value(\$) of Obligations |
|--|------------------|-----------------------------|
| Budget Support* (Cash Transfers) | 0 | 0 |
| Direct Funding for Federal Government Projects | 8 | 128,181,556 |
| 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 |

| Type | Number of Awards | Value(\$) of Obligations |
|--|------------------|-----------------------------|
| Direct Funding for Provincial Government Projects | 1 | 6,250,000 |
| Southern Punjab Basic Education Program | 1 | 6,250,000 |
| Awards to Pakistani NGOs | 16 | 47,731,092 |
| 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 |
| 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 |
| 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 |
| Total | 25 | 182,162,648 |

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, January 1–March 31, 2011.

Staffing

The U.S. Mission in Pakistan—including USAID and Embassy components⁷—is increasing staffing levels in Islamabad and at regional offices in Peshawar, Lahore, and Karachi.

As shown in Table 8, USAID reported a total of 235 staff (57 U.S. direct-hires and 178 others) as of March 31, 2011. Since the last quarterly report, the mission has increased its staff by seven positions. However, with a fiscal year 2011 target of 299 staff, USAID/Pakistan remains understaffed by 64 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 March 31, 2011

| Category | Islamabad | Peshawar | Lahore | Karachi | Total | Difference from December 31, 2010 |
|---|------------|-----------|-----------|----------|------------|-----------------------------------|
| U.S. direct hire | 50 | 3 | 3 | 1 | 57 | +4 |
| U.S. staff from other departments and agencies* | 0 | 0 | 0 | 0 | 0 | -1 |
| U.S. personal services contractors | 16 | 4 | 0 | 0 | 20 | -1 |
| Third-country nationals | 8 | 0 | 0 | 0 | 8 | 0 |
| Foreign Service Nationals (Pakistani staff) | 100 | 19 | 8 | 5 | 132 | +3 |
| Eligible family members | 5 | 0 | 0 | 1 | 6 | 0 |
| Long-term temporary-duty staff† | 12 | 0 | 0 | 0 | 12 | +2 |
| Total Staff | 191 | 26 | 11 | 7 | 235 | +7 |
| Staff Target 2011 | | | | | 299 | |
| Staff Shortfall | | | | | 64 | |

* The staff member who left during the quarter was detailed from the U.S. Department of Agriculture.

† 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.

⁷ NAS reported that it had up to 130 staff and contractors on board as of March 31, 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. Since the last quarterly report, no major new risks emerged. However, given recent developments, it is worth highlighting two previously identified risks:

- *Political risks.* During the reporting period, Pakistan experienced turmoil stemming from political, economic, and legal issues. Such turmoil can limit the progress of the Government of Pakistan and the U.S. Government in delivering an effective assistance program.
- *Resistance to economic reform.* Entrenched interests may resist policy reforms needed to transform the economy. According to USAID, if fundamental reforms are not implemented, assistance from the United States and other donors will have limited long-term effects. The International Monetary Fund, through its standby agreement is pressing very specific economic reform targets. Without economic reforms, the U.S. assistance program will have limited impact on the economy of Pakistan or on the livelihoods of Pakistanis.

In addition to the risks described above, several challenges identified in previous quarterly reports on the civilian assistance program remain:

- *Reprogramming of funds for flood recovery.* The United States pledged to direct roughly \$500 million of its budget toward flood recovery. These actions promoted early recovery and the replacement of damaged infrastructure. When previously planned projects are postponed or eliminated, the assistance program loses momentum in planning and implementation, frustrating some Pakistani stakeholders. However, the Government of Pakistan and the United States Government have coordinated reprogramming to maintain resources for the highest-priority programs and activities in support of mutually agreed-upon developmental and humanitarian assistance priorities.
- *Flood-related insecurity.* More than 20 million Pakistanis were affected by the floods, and many are still in camps of temporary shelters, which can feed disillusionment and instability.
- *Vulnerability to natural disasters.* Pakistan is prone to earthquakes and flooding, which hinder the implementation of projects in disaster-affected areas. In January 2011, only months after the country's worst flooding, Pakistan experienced a major earthquake with magnitude of 7.2. Fortunately, the earthquake occurred in a sparsely populated area and the damage was minor.
- *Adverse environmental impact.* USAID/Pakistan conducts environmental assessments before disbursing funds for projects. One recent assessment identified risk associated with building a road in South Waziristan from Tank to Wana to Makeen. To mitigate this risk, the USAID office in FATA will take necessary steps to mitigate environmental concerns before building portions of the road, delaying the project somewhat.

- *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, involving DOS colleagues as necessary to ensure coordination and implementation of agricultural programs.
- *Limited institutional capacity.* Limited institutional capacity—especially in the FATA, Khyber Pakhtunkhwa, and Balochistan—means extra efforts must be made to mitigate against 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 Government of Pakistan have collaborated to introduce special accounts for US 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 actively engage Pakistani officials in project design.
- *Terrorist threats to the United States.* A successful terrorist attack originating in Pakistan but carried out on U.S. soil could damage the U.S.-Pakistan relationship. The heightened risk of such an attack was underscored by Administration officials in their testimony before the Senate Committee on Homeland Security and Governmental Affairs in September 2010.⁸

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 is making some progress on a solicitation for a missionwide monitoring and evaluation program: the request for proposals will be sent out next month.

To maximize aid effectiveness and sustainability, USAID/Pakistan is committed to providing assistance through Pakistani institutions. This policy is intended to increase the number of USAID partnerships, although many of these new partnerships will be with institutions that have limited capacity to plan and implement projects because of limited staff or a lack of experience with the U.S. Government financial management requirements. 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 certified 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. In addition, USAID increasingly relies on fixed-amount reimbursement as a mechanism to disburse funding to Pakistani

⁸ "Nine Years After 9/11: Confronting the Terrorist Threat to the Homeland," September 22, 2010.

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 March 31, 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. DOS OIG established its field office at the U.S. Embassy in Islamabad in October 2010; the office director has been assigned to Pakistan, and two evaluators arrived in March 2011.
- *Conducting risk assessments of awards to U.S.-based entities working in Pakistan.* In fiscal year 2010, USAID OIG conducted risk assessments of 18 awards to prioritize the financial reviews to be performed 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, two are planned, and one was canceled (the award was terminated early).
- *Expanding the use of independent Pakistani public accounting firms to conduct financial audits of funds provided to Pakistani NGOs.* Since the passage of the Enhanced Partnership with Pakistan Act on October 15, 2009, USAID OIG has added 11 audit firms to its list of eligible audit firms in Pakistan. As of March 31, 2011, USAID OIG's roster included 22 eligible audit firms to call on.
- *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 March 31, 2011, USAID OIG had provided training to 21 public accounting firms (42 participants) and 16 nongovernmental organizations (31 participants)—totaling 73 participants. 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 March 31, 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.
- *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 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).*⁹ USAID OIG established a working relationship with NAB in early 2010. In December 2010, the NAB Director General of Operations and the NAB Chairman met with the USAID Inspector General. The meeting affirmed cooperation on ongoing investigations and continued coordination between the two organizations. On February 17, 2011, OIG, along with USAID/Pakistan, Transparency International Pakistan, the Auditor General of Pakistan, the Pakistan Public Procurement Regulatory Authority, and NAB, cosponsored a fraud-awareness conference in Islamabad for USAID implementing partners. The 118 participants included representatives of American and Pakistani NGOs, international public organizations, and representatives of both USAID and Pakistani Government ministries.
- *Collaborating with USAID/Pakistan to establish an antifraud hotline in Pakistan.* The antifraud hotline, while fully operational in early February, was formally launched during a fraud-awareness conference held in Islamabad on February 17, 2011. The 5-year project is funded by a cooperative agreement between USAID/Pakistan and Transparency International Pakistan in partnership with the Office of the Inspector General, although OIG is solely responsible for handling complaints received through the hotline. As of March 31, 2011, the hotline had received 516 complaints, of which more than half concern the delivery of flood relief services.
- *Providing fraud-awareness briefings and expanding investigatory coverage.* During the reporting period, OIG special agents in Pakistan gave 11 fraud-awareness briefings attended by 244 USAID, U.S. Consulate, and contractor personnel.
- *Coordinating audits and investigations with other U.S. agencies.* USAID OIG works with other OIGs, the GAO, and law enforcement agencies including the Federal Bureau of Investigation’s International Corruption Unit, the National Procurement Task Force, and the U.S. Embassy’s Legal Attaché Office.

⁹ 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 January 1, 2011

From January 1 through March 31, 2011, USAID OIG completed one performance audit:

- **Audit of USAID/Pakistan's Flood Relief Efforts as Administered by Local Nongovernmental Organizations (Report No. 5-391-11-003-P, January 24, 2011).** This audit determined that two Pakistani NGOs contracted by USAID/Pakistan delivered food hampers, hygiene kits, and medical supplies to meet the immediate needs of the flood victims. As of November 15, 2010, the NGOs—Pakistan Poverty Alleviation Fund, which received \$2.7 million, and Rural Support Programmes Network, which received \$2.3 million—reported distributing food and hygiene kits to 80,098 households and administering medical supplies and treatment to an affected population of 159,620 people and 307,116 livestock, meeting their goals. These immediate relief efforts were in response to the recent floods in Pakistan that affected over 20 million people in 74 districts. The audit report did not make any recommendations.

Work Under Way

As of March 31, 2011, USAID OIG had three performance audits and seven financial audits in process:

- **Audit of USAID/Pakistan's Management of Preaward Assessments of Governmental and Local Organizations in Pakistan.** A key aspect of USAID/Pakistan's management strategy is to conduct preaward assessments of Pakistani federal and provincial governmental agencies and local organizations that have been selected to receive USAID funds. The surveys are to determine whether the assessed entity has the necessary organization, experience, accounting and operational controls, and technical skills to manage and account for these funds. As of September 30, 2010, USAID/Pakistan had completed 60 preaward assessments. The audit is determining (1) whether USAID/Pakistan's preaward surveys provide a reasonable basis for identifying vulnerabilities that could result in waste or misuse of U.S. Government resources and (2) whether USAID/Pakistan effectively addressed the deficiencies noted for those identified as high-risk recipients.

- **Audit of USAID/Pakistan’s Road Rehabilitation and Reconstruction Activities Under the Quick Impact Projects in South Waziristan.** This audit is determining whether the specified activities are achieving the mission’s goal of rebuilding selected roads.
- **Audit of USAID/Pakistan’s Firms Project.** This audit will determine whether the project is achieving its main goals of strengthening the business sector and improving firms’ productivity and quality.
- **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 Program, 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.**
- **Financial Audit of the USAID/Pakistan Trust Fund for Operating Expenses, for the Fiscal Years Ended September 30, 2007, 2008, and 2009.**
- **Financial Audit of USAID Resources Managed by Children’s Global Network Pakistan Limited Under the Interactive Teaching and Learning Program in Pakistan (Close-Out Audit) and Subaward Through American Institutes for Research, for the Period July 1, 2008, to February 26, 2010.**
- **Financial Audit of USAID Resources Managed by Forman Christian College Under the Development of a Four-Year Bachelor Degree Program and Strengthening of Basic Science and Information Technology Program (Close-Out Audit), for the Period July 1, 2009, to March 31, 2010.**

In addition, USAID OIG closed four investigations during the reporting period and has 18 open cases. Also during the reporting period, USAID OIG hosted a fraud-awareness conference, formally launched the USAID OIG Pakistan hotline, initiated a number of investigations based on hotline allegations, and uncovered additional details related to the suspension of a USAID implementing partner:

- **USAID OIG Cohosts Fraud-Awareness Conference in Pakistan.** On February 17, 2011, USAID OIG—along with USAID/Pakistan, Transparency International Pakistan, the Auditor General

of Pakistan, the Pakistan Public Procurement Regulatory Authority, and NAB—cosponsored a fraud awareness conference in Islamabad for USAID implementing partners. The 118 participants included representatives of American and Pakistani NGOs, international public organizations, and representatives of both USAID and Pakistani Government ministries. USAID OIG Pakistan formally launched the hotline during the conference.

- **OIG Pakistan Hotline Is Fully Operational.** On February 1, 2011, the USAID OIG Pakistan hotline became fully operational. The 5-year project is funded by a cooperative agreement between USAID/Pakistan and Transparency International Pakistan; however, USAID OIG is solely responsible for handling complaints. Complaints can be lodged through telephone operators who speak English, Sindhi, Urdu, and Pashto or by e-mail, Internet, facsimile, mail, or in person. The hotline is advertised on television and radio, in the newspaper, and on billboards located throughout Pakistan. As of March 31, 2011, the hotline had received 516 complaints, of which more than half concern the delivery of flood relief services. These complaints will be referred to USAID or the implementing partner responsible for the project in question. To date, OIG has initiated four investigations based on allegations received by the hotline.



On Masoom Shah Road in Multan, Punjab Province, a billboard announces the hotline to passersby. (Photo by Transparency International-Pakistan).

- **USAID Suspends Contractor for Serious Corporate Misconduct.** USAID suspended AED from receiving new government awards after initial inquiries by OIG revealed evidence of serious corporate misconduct, mismanagement, and a lack of internal controls. As reported in our previous quarterly reports, OIG found evidence of fraud related to various aspects of a \$150 million cooperative agreement, which was subsequently terminated by USAID/Pakistan. The OIG investigation later uncovered evidence that certain members of AED's senior headquarters staff became aware of potentially millions of dollars of disallowable costs because of collusion and overcharging by vendors on the Pakistan project but repeatedly failed to disclose this information to USAID. AED announced the retirement of its chief executive officer and required the departure of four other senior executives to address the inadequate reporting and the management deficiencies uncovered by the investigation. In addition to issues related to collusion and overcharging by vendors, the OIG investigation revealed several infrastructure projects managed by AED in Pakistan that failed to meet required USAID specifications. An OIG investigation of another AED project in Afghanistan revealed significant internal control issues resulting in the use of a purchasing process that violated the competitive procurement standards of both AED and USAID. While some of these issues were identified during a 2008 internal audit conducted by AED, they persisted until the end of the project in late 2010.

Work Planned for the Remainder of FY 2011

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

- **Audit of USAID/Pakistan's Pre-Service Teacher Education Program (Pre-STEP).** This audit will determine whether the program is helping teachers improve their professional qualifications.
- **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.
- **Audit of USAID/Pakistan's Community Rehabilitation Infrastructure Support Program.** This audit will determine whether the program is constructing and renovating community infrastructure that will improve delivery of basic services such as education, health care, water supply, sanitation, electricity, and transportation and promote economic growth in rural areas.
- **Financial Audit of USAID Funds Managed by the Ministry of Economic Affairs and Statistics (Economic Affairs Division) Under the Cash Transfer Grant Agreement for University and Technical Education in FATA Through the Pakistan Higher Education Commission, for the Period September 30, 2009, to June 30, 2010.**

Department of State Office of Inspector General

Work Completed Since January 1, 2011

From January 1 through March 31, 2011, DOS OIG completed one performance evaluation:

The Bureau of Population, Refugees and Migration's Internally Displaced Persons Program in Pakistan (Report No. MERO-1-11-01). The objectives of this evaluation were to determine (1) whether assistance is reaching intended targets, (2) whether program performance measures were established and achieved, and (3) how procurement strategies are planned and implemented. While the evaluation found that the DOS Bureau of Population, Refugees and Migration's (PRM) key partners—the U.N. High Commission for Refugees (UNHCR) and the International Committee of the Red Cross (ICRC)—reached the short-term goal of humanitarian assistance by preventing outbreaks of major epidemics, malnutrition, and starvation and assisted more than 2.7 million IDPs, DOS OIG could not determine the overall effectiveness of assistance provided by UNHCR and ICRC because neither organization reports its performance results against performance targets or indicators. The report makes three recommendations to PRM to encourage improvements in performance reporting of its implementing partners, UNHCR and ICRC. The final report was issued on January 10, 2011.

Work Under Way

As of March 31, 2011, DOS OIG had two performance 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 are effectively managed, and (3) validate controls over foreign government equipment provided in support of the training programs.

Work Planned for the Remainder of FY 2011

DOS OIG has three evaluations planned for FY 2011:

- **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.
- **Review of Operations and Maintenance Contract for Embassy Islamabad (Contract Evaluation).** This review will assess the requirements and provisions of the operations and maintenance contract for Embassy Islamabad. The objectives of this evaluation are to determine (1) the requirements and provisions of the contract and task orders; (2) the amount of funding DOS has obligated and expended for operations and maintenance on this contract; (3) the effectiveness of contractor performance in providing operations and maintenance services to the Embassy and other facilities; (4) the controls for inventorying, recording, and safeguarding U.S. Government-furnished equipment and property in Pakistan—whether the equipment has been properly accounted for, and the challenges to maintaining accountability; (5) how well DOS administers and manages the contract and task orders to provide oversight of the contractor’s performance in Pakistan; and (6) how DOS ensures that costs are properly allocated and supported.

DOS OIG established its field office at the U.S. Embassy in Islamabad in October 2010. The office director has been assigned to Pakistan, and two evaluators arrived in March 2011. In addition to its evaluations, DOS OIG has two investigative cases related to Pakistan. DOS OIG has six investigators assigned to its Middle East Investigative Branch who pursue cases related to Pakistan, in addition to handling regional cases.

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 Completed Since January 1, 2011

From January 1 through March 31, 2011, GAO completed two engagements on Pakistan:

- **Department of State’s Report to Congress and U.S. Oversight of Civilian Assistance to Pakistan Can Be Further Enhanced. (GAO-11-310R, February 17, 2011).** Pakistan is a key U.S. ally in the effort to combat terrorism and violent extremism. Since 2002, the United States has provided over \$18 billion to Pakistan. In October 2009, Congress passed the Enhanced Partnership with Pakistan Act of 2009, which authorizes up to \$1.5 billion a year for civilian assistance to Pakistan for fiscal years 2010–14. The act encourages the use of Pakistani organizations to provide civilian assistance and also directed GAO to provide (1) a review of, and comments addressing, State’s Pakistan Assistance Strategy Report; (2) an assessment of the impact of the civilian assistance on the security and stability of Pakistan; (3) a detailed description of the expenditures made by Pakistan with Foreign Military Financing (FMF) grants; and (4) recommendations relating to any additional actions that could help improve U.S. efforts. GAO found that the Pakistan Assistance Strategy Report did not contain plans specifically related to operations research as defined in the act and it also did not include information on seven of the Millennium Challenge indicators, as the act requires. As of December 31, 2010, the full impact of the fiscal year 2010 civilian assistance could not be determined because most of the funding had not yet been disbursed. Since 2002, a total of \$2.11 billion has been provided for FMF grants to Pakistan, of which Pakistan has used about \$1.86 billion. Some of these funds were used to refurbish or upgrade defense articles, including Cobra helicopters and armored personnel carriers. GAO made recommendations to improve the State Department’s reporting to Congress. In addition, to enhance accountability for U.S. assistance provided through Pakistani organizations, GAO recommended USAID require Pakistani organizations to address weaknesses identified in preaward assessments.
- **Accountability for U.S. Equipment Provided to Pakistani Security Forces in the Western Frontier Needs to Be Improved. (GAO-11-156R, February 15, 2011).** Since 2002, the United States has provided over \$18 billion to Pakistan, including \$1.5 billion to improve the counterterrorism and counterinsurgency capabilities of Pakistani security forces operating along Pakistan’s border with Afghanistan. The funding for these security forces provides military equipment, infrastructure, and training. GAO found that DOD’s written procedures for ensuring accountability for equipment at its Islamabad warehouse did not fully address key requirements on how to maintain accountability and management of property, and that the Defense Security Cooperation Agency (DSCA) did not follow up in a timely manner to ensure weaknesses that it identified in 2008 in procedures for safeguarding sensitive equipment in Pakistan’s custody had been fully addressed. GAO made recommendations to address these weaknesses. GAO also recommended DSCA conduct a compliance assessment to verify that U.S. and Pakistani officials have complied with the 2010 National Defense Authorization Act, which requires registering and end-use monitoring of defense articles, including small arms, transferred to Afghanistan and Pakistan.

Work Under Way

From January 1 through March 31, 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 May 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) the amount of State’s funding is contingent on the certification, (2) State complied with the mandated requirements, (3) the certification is supported by evidence from the U.S. agencies and the views of experts, and (4) State 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) State’s 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 March 31, 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 March 31, 2011

| Agency | Report Number | Report Date | Report Title |
|--------|----------------|-------------|--|
| 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 | 5-391-11-003-P | 1/24/11 | Audit of USAID/Pakistan's Flood Relief Efforts as Administered by Local Nongovernmental Organizations |
| DOS | MERO-I-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 |
| USAID | 5-391-11-002-P | 12/10/10 | Audit of USAID/Pakistan's Livelihood Development Program for the Upper Region of the Federally Administered Tribal Areas |
| USAID | 5-391-11-001-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 |

| Agency | Report Number | Report Date | Report Title |
|---------------|----------------------|--------------------|--|
| 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 |
| 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

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|----------|--|
| AED | Academy for Educational Development |
| DEA | Drug Enforcement Administration |
| DOC | Department of Commerce |
| DOD | Department of Defense |
| DOS | Department of State |
| DSCA | Defense Security Cooperation Agency |
| Ed-LINKS | Links to Learning—Education Support to Pakistan |
| FAO | U.N. Food and Agriculture Organization |
| FATA | Federally Administered Tribal Areas |
| FBI | Federal Bureau of Investigation |
| FMF | Foreign Military Financing |
| FY | fiscal year |
| GAO | Government Accountability Office |
| GENCO | Power Generation Company |
| ICRC | International Committee of the Red Cross |
| 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 |

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|----------|--|
| OIG | Office of Inspector General |
| PAS | Public Affairs Section (U.S. Embassy Islamabad) |
| POL | Political Affairs Section (U.S. Embassy Islamabad) |
| Pre-STEP | Pre-Service Teacher Education Program |
| RSO | Regional Security Office (U.S. Embassy Islamabad) |
| U.N. | United Nations |
| UNFPA | United Nations Population Fund |
| UNHCR | U.N. High Commission for Refugees |
| 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 |
| WHO | World Health Organization |