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

As of September 30, 2010



Foreword

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

This report covers July 1 through September 30, 2010. For fiscal year (FY) 2010, Congress appropriated \$1.514 billion from the Enhanced Partnership with Pakistan Act of 2009, along with other assistance funds, to support the civilian assistance strategy in Pakistan. The U.S. Embassy reported that \$1.910 billion in FY 2010 funds had been obligated as of September 30, 2010.

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, investigations, and inspections performed by the Offices of Inspector General for USAID, the Department of State, and the Department of Defense, as well as by the U.S. Government Accountability Office.

/s/

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Executive Summary

The Enhanced Partnership with Pakistan Act of 2009 (Public Law 111-73) authorizes democratic, economic, and development assistance to Pakistan. The act authorizes a total of \$7.5 billion for fiscal years (FY) 2010 through 2014 to support assistance programs. The U.S. Department of State's (DOS) strategy report for providing civilian assistance outlines three key 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.

For FY 2010, Congress appropriated \$1.514 billion from the act, in addition to other assistance funds, to support the civilian assistance strategy. The U.S. Embassy reported that as of September 30, 2010, \$1.910 billion in 2010 funds had been obligated. These funds support U.S. Government assistance programs and align with the three broad categories identified in the assistance strategy: 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.

Humanitarian services became the top priority when, on July 29, 2010, flooding submerged one-fifth of Pakistan. This unprecedented humanitarian crisis affected over 20 million people. U.S. response to the flooding was rapid and significant, closely coordinated with federal and local authorities in Pakistan. To help the Government of Pakistan address the floods and their aftermath, the U.S. Government, including the U.S. Agency for International Development (USAID), Department of State (DOS), and the Department of Defense (DOD), provided funding totaling \$431.2 million (as of September 30, 2010). USAID provided emergency food assistance and shelter, along with relief commodities such as water purification tablets and blankets. Also, USAID redirected funding and realigned its programs to support agricultural recovery and mobile health teams. DOS funded shelter and nonfood assistance. DOD, too, provided humanitarian assistance in the form of air support for rescue operations and the delivery of relief supplies.

Amid relief and recovery efforts, USAID reported an increase in awards to Pakistani institutions. As of September 30, 2010, USAID had made 61 awards totaling \$1.268 billion to governmental and nongovernmental Pakistani institutions. To overcome flood-related risks, such as implementation delays, and the limited capacity of some Pakistani institutions, USAID has increased coordination with the Government of Pakistan and other donors, provided capacity-building assistance, conducted preaward assessments of local implementing partners, and instituted procedures to help ensure accountability for

U.S. assistance funds. However, security threats and staffing shortages continue to impede the implementation and monitoring of assistance programs.

Oversight entities have also taken steps to ensure that U.S. Government funds are protected against waste and theft. The USAID Office of Inspector General (OIG) has established a field office in Pakistan, and the DOS OIG is in the process of opening a Pakistan office. Also, the USAID OIG has vetted independent Pakistani accounting firms to conduct financial audits of funds provided to Pakistani nongovernmental organizations (NGOs), conducted joint investigations with the National Accountability Bureau (NAB), and collaborated with USAID/Pakistan to establish a fraud hotline.

During the period covered by this report, July 1 through September 30, 2010, USAID OIG completed one performance audit, one financial audit, and one financial review. The performance audit, of USAID/Pakistan's Family Advancement for Life and Health Program, found that the program had increased demand for and improved family planning services. However, the audit also found that the required financial audits of three Pakistani organizations receiving \$24.7 million to help implement the program had not been conducted, leaving the accountability of those funds in question. The OIG recommended that USAID/Pakistan require its implementing partner to develop a plan of action for completing the required financial audits. OIG's financial audit was of Pakistan's Competitiveness Support Fund, a project designed to improve the competitiveness of small and medium-sized Pakistani industries through technical assistance and a match-making grant facility. The audit identified significant deficiencies in internal controls and recommended that USAID/Pakistan improve controls related to audit functions, salary increases, and access to the Web server and determine the allowability of and recover, as appropriate, questioned costs of \$355,471.

In addition, USAID OIG conducted an investigation that led to two significant developments relating to livelihood development programs in the Federally Administered Tribal Areas (FATA). After an ongoing OIG investigation revealed evidence of fraud related to the procurement by a USAID implementing partner of household kits for internally displaced persons (IDPs), USAID/Pakistan terminated a 5-year, \$150 million livelihood development program. As of September 30, 2010, the implementing partner had returned \$992,206 to USAID related to this investigation. Additionally, USAID/Pakistan terminated a personal services contractor serving as the agreement officer's technical representative for the aforementioned livelihood development program and another program of the same type, with a combined value of \$300 million. The OIG investigation revealed that the officer had misused his position for the personal gain of relatives and solicited favors from a prohibited source. The individual was subsequently debarred from government contracts.

Several other audits, inspections, and evaluations are under way or planned for FY 2011. USAID OIG has three performance audits and six financial audits under way, along with eight open investigations. For the rest of FY 2011, USAID OIG plans to conduct six performance audits and two financial audits. DOS OIG has one performance evaluation under way and another three evaluations planned for FY 2011. DOD OIG has one Pakistan assignment planned for FY 2011, and the Government Accountability Office (GAO) has five ongoing engagements concerning Pakistan.

Background

The U.S. Government affirmed its commitment to a renewed U.S.-Pakistan partnership by signing the Enhanced Partnership with Pakistan Act of 2009 (Public Law 111-73, 123 Stat. 2060). The act articulates the U.S. Government's intention to work with the Government of Pakistan to build mutual trust and confidence by actively and consistently pursuing a sustained, multifaceted relationship devoted to strengthening mutual security, stability, and prosperity. The act authorizes \$1.5 billion per year for FY 2010–14, for a total of \$7.5 billion, to support democratic, economic, development, and security assistance. Appendix I presents the key provisions of the act, and Appendix II contains abbreviations used in this report.

In connection with the act, the Department of State developed a strategy for providing democratic, economic, and development assistance to Pakistan.¹ The strategy seeks to build a broad and deep relationship with Pakistanis and their government, aligning U.S. assistance more closely with Pakistan's development and investment priorities. The strategy report outlines three key objectives:

- Improve the Pakistani Government'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.

The strategy features programming in five areas: (1) high-impact, high-visibility infrastructure programs, (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. Table I presents funding planned for activities in these areas for FY 2010–14.

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

Table I. Projected* U.S. Assistance to Pakistan, FY 2010–14

Activities	(\$ Millions)
Investment in high-impact, high-visibility infrastructure programs	3,500
Agriculture	2,000
Support for permanent solutions to Pakistan’s energy crisis	1,000
Other infrastructure	500
Focused humanitarian and social services	2,000
Immediate postcrisis and other humanitarian assistance	500
Increased access to and quality of education and health services	1,500
Government capacity improvement	2,000
Improved national and local governance	1,000
Improved security and legal institutions	1,000
Total	7,500

* The figures provided were developed for general planning purposes and are subject to change.

Source: U.S. Department of State, *Pakistan Assistance Strategy Report*, December 14, 2009.

For FY 2010, Congress appropriated \$1.514 billion from the act, in addition to other assistance funds. These funds were to be used by U.S. departments and agencies working in Pakistan to implement the programs identified in the civilian assistance strategy and respond to shifting requirements and needs as determined by the U.S. Government.

From July 22 to July 31, 2010, heavy monsoon rainfall triggered floods submerging one-fifth of Pakistan. This unprecedented humanitarian crisis affected over 20 million people, killing more than 1,800, injuring more than 2,700, and displacing millions whose homes were damaged or destroyed. Although damage from the flooding was concentrated—75 percent of the affected population resided in just two provinces—the flooding affected 82 of Pakistan’s 122 districts.

In response to the flooding, the Government of Pakistan’s National Disaster Management Authority (NDMA) assisted with evacuation efforts and distributed emergency relief supplies to affected provinces. Additionally, the NDMA established camps for families displaced by the floods in the hardest-hit provinces, Punjab and Sindh. Moreover, the Government of Pakistan asked for and received assistance from several U.N. agencies, such as the U.N. Office for the Coordination of Humanitarian Affairs and the World Food Programme.

The U.S. Government responded to the crisis by supporting immediate relief efforts—channeling \$295 million through local and international organizations, the Pakistan NDMA, and the U.N. emergency response plan—and committing \$50 million for initial recovery efforts to assist in rebuilding flooded communities.² The U.S. Government also provided civilian and military in-kind assistance including halal

² U.S. Department of State, “Update: U.S. Response to Pakistan’s Flooding Disaster,” press release, September 22, 2010.

meals, prefabricated steel bridges and other infrastructure support, and air support to transport more than 16 million pounds of relief supplies and evacuate more than 23, 000 people.

The U.S. response reflects the mutual and sustained relationship fostered by the Enhanced Partnership with Pakistan Act of 2009. USAID Administrator Rajiv Shah characterized the U.S. commitment as both immediate and intense and said it would endure through all phases of the relief, recovery, and reconstruction effort.³ Similarly, during his recent trip to flood-affected areas in Pakistan, Ambassador Richard Holbrooke, the U.S. Special Representative to Afghanistan and Pakistan, depicted U.S. efforts as a humanitarian action linking the people of the United States with the people of Pakistan. He also expressed the U.S. Government's intention to "increase its contributions as time goes on."⁴

On September 16, 2010, the U.S. House of Representatives approved Resolution 1613, which reaffirmed "the commitment of the people of the United States to partner with the people of Pakistan to respond to the immediate crisis and build the foundations for a successful and lasting recovery." The resolution explicitly supported the use of funds authorized by the act to provide long-term recovery and rehabilitation for flood-affected areas and populations. The resolution further urged "a reexamination of priorities for spending the funds authorized under the Enhanced Partnership with Pakistan Act of 2009, with a view toward ensuring that the needs of the Pakistani people are appropriately addressed in the aftermath of the disaster."

In addition to providing the previously mentioned funds under the act, the U.S. Congress established a Pakistan Relief Fund through the Department of State for public contributions. These support relief, recovery, and reconstruction programs carried out by the Department of State, USAID, and other federal agencies, as well as by international organizations and nonprofit organizations. During August, the fund raised approximately \$2 million. The U.S. private sector more than matched these contributions, donating \$10.5 million to flood relief efforts.⁵

Following the initial relief efforts in Pakistan, Secretary Clinton emphasized the important role the Pakistani Government will play in helping shape a strategy that reflects the needs of the Pakistani people. She said that, following a damage and needs assessment, U.S. commitments would be further refined in meetings of the international development community in October and November 2010. Until then, Secretary Clinton stressed the need for improving the coordination of efforts, taking into account the needs of Pakistanis, and maintaining well-organized aid delivery.⁶

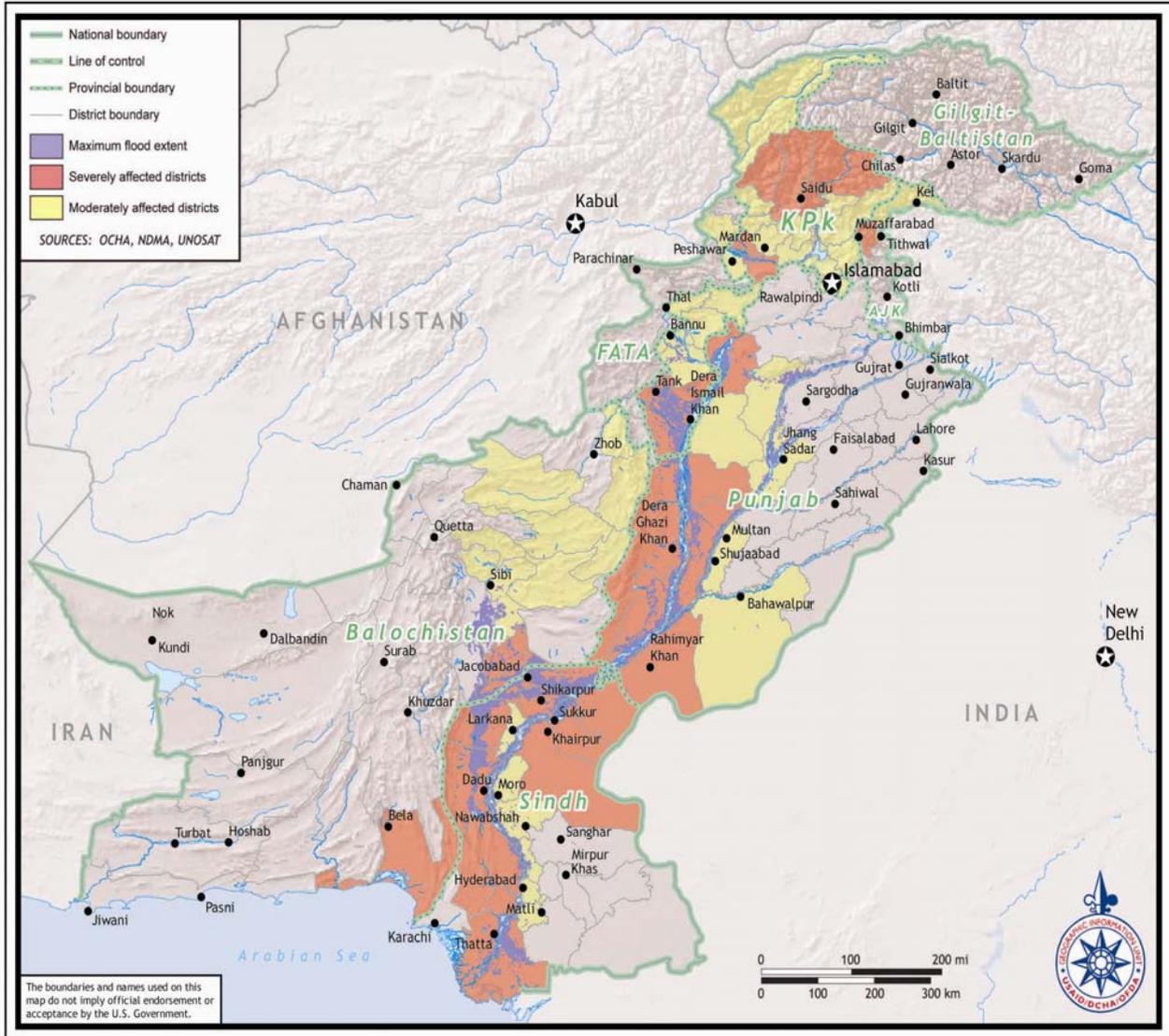
³ Remarks at the Asia Society's Pakistan Flood Response Event, New York, August 19, 2010.

⁴ U.S. Embassy Islamabad, "Ambassador Holbrooke Promises Continued U.S. Flood Relief Support to Pakistan," press release, September 16, 2010.

⁵ U.S. Department of State, "Update: U.S. Response to Pakistan's Flooding Disaster," press release, September 22, 2010.

⁶ U.S. Department of State, "Secretary of State Clinton at the High-Level Ministerial Meeting on the Flood Emergency in Pakistan," press release, September 19, 2010.

Flood Map of Pakistan as of September 30, 2010



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

Program Status

The U.S. departments and agencies delivering development assistance in Pakistan are implementing, designing, and negotiating programs to accomplish the objectives of the Enhanced Partnership with Pakistan Act. The following sections provide an overview of program status.

The U.S. Embassy reported that as of September 30, 2010, \$3.638 billion in FY 2009 and 2010 funds had been obligated to support the civilian assistance strategy (Table 2). Expenditure information corresponding to these obligations was not provided.

**Table 2. Program Financial Status as of September 30, 2010
(\$ Millions)**

Program	Manager	FY 2009 Obligated	FY 2010 Obligated	Total Obligations	FY 2010 and Prior Pipeline*
Flood Response (Emergency Relief and Early Recovery)					
World Food Programme–Flood	USAID		137.4	137.4	20.0
Humanitarian Programs, Office of Transition Initiatives (OTI)–Flood	USAID		60.0	60.0	40.0
Humanitarian Programs, Office of Foreign Disaster Assistance–Flood	USAID	–	115.0	115.0	84.8
Narcotics Affairs Section (NAS), U.S. Embassy Islamabad–Flood	NAS	–	in-kind support	in-kind support	–
Pakistan Internally Displaced Persons–Flood	Political Affairs Section (POL), U.S. Embassy Islamabad	–	49.3	49.3	–
Overseas Humanitarian, Disaster, and Civic Aid–Flood	DOD	–	64.2	64.2	5.0
Subtotals		–	425.9	425.9	149.8
High-Impact, High-Visibility Programs					
International Trade Administration	U.S. Department of Commerce	0.8	3.8	4.6	1.6
Foreign Agriculture Programs	U.S. Department of Agriculture	44.0	–	44.0	20.0
USAID transfer to U.S. Trade and Development Agency (USTDA)	USTDA	5.0	1.0	6.0	5.8
FATA Roads/Bridges	NAS	15.0	–	15.0	13.6
FATA Roads (Swat, Ring-Road)	NAS	40.0	–	40.0	40.0
Energy	USAID	125.0	44.8	169.8	130.3

Program	Manager	FY 2009 Obligated	FY 2010 Obligated	Total Obligations	FY 2010 and Prior Pipeline*
Agriculture	USAID	95.0	65.6	160.6	109.0
Economic Growth	USAID	172.0	234.7	406.7	406.6
Subtotals		496.8	349.9	846.7	726.9
Focused Humanitarian and Social Services					
Health/Water	USAID	102.0	131.5	233.5	246.3
Health	USAID	33.5	–	33.5	–
Education	USAID	163.5	259.3	422.8	478.5
Humanitarian Assistance	USAID	209.0	75.0	284.0	5.3
Humanitarian Programs, Office of Foreign Disaster Assistance	USAID	105.8	18.0	123.8	22.9
World Food Programme	USAID	55.4	98.3	153.7	–
USAID Transfer to United Nations Bhutto Commission	U.N.	1.0	–	1.0	–
Community Stabilization and Humanitarian Assistance Fund	DOD	10.0	–	10.0	9.3
Overseas Humanitarian, Disaster, and Civic Aid —Flood	DOD	0.4	–	0.4	1.3
Mitigating Child Labor	U.S. Department of Labor	–	4.0	4.0	–
Mine Action -Response International	POL	0.5	–	0.5	0.2
Trafficking in Persons	POL	0.5	–	0.5	0.4
Pakistan Internally Displaced Persons	POL	59.6	42.0	101.6	–
Afghan Refugees	POL	74.7	45.3	120.0	–
Fulbright	Public Affairs Section (PAS), U.S. Embassy Islamabad	19.5	19.5	39.0	–
Other Exchanges	PAS	35.0	30.0	65.0	–
Public Diplomacy Operating Expenses	PAS	2.0	2.0	4.0	–
Subtotals		872.4	724.9	1,597.3	764.2
Government Capacity Improvement					
Drug Enforcement Agency (DEA)	DEA	1.5	1.5	3.0	–
Energy Programs	U.S. Department of Energy	66.6	94.2	160.8	66.7

Program	Manager	FY 2009 Obligated	FY 2010 Obligated	Total Obligations	FY 2010 and Prior Pipeline*
Department of Homeland Security (DHS)/Immigration & Customs Enforcement	DHS	1.1	1.1	2.2	–
Federal Bureau of Investigation (FBI)/Legal attaché	FBI	1.0	1.8	2.8	1.3
Democracy Rights Labor	POL	6.8	–	6.8	1.4
Democracy – National Endowment for Democracy	POL	–	–	–	–
Counternarcotics	NAS	3.0	5.5	8.5	11.8
Border Security –Aviation	NAS	37.0	45.9	82.9	76.9
Border Security – Commodities, Training	NAS	0.2	–	0.2	6.2
Police/Law Enforcement Training/Rule of Law	NAS	51.0	66.6	117.6	132.8
Demand Reduction/Awareness	NAS	0.5	1.5	2.0	2.7
Program Development Support	NAS	9.8	4.4	14.2	0.5
Counterterrorism	Regional Security Office (RSO), U.S. Embassy Islamabad	11.8	–	11.8	0.2
Biosecurity Engagement	Economic Affairs Section, U.S. Embassy Islamabad	12.5	16.0	28.5	18.1
U.S. Institute for Peace (USIP)	USIP	–	0.9	0.9	0.3
Democracy/Governance	USAID	50.0	140.4	190.4	209.3
Office of Transition Initiatives	USAID	68.0	18.2	86.2	55.0
Subtotals		320.8	398.0	718.8	583.2
Other Programs					
Strategic Communications	DOD	7.0	7.0	14.0	–
Strategic Communications	PAS	30.9	4.0	34.9	46.0
Subtotals		37.9	11.0	48.9	46.0
Totals		1,727.9	1,909.7	3,637.6	2,270.1

* At the request of U.S. Embassy Islamabad, pipeline data are included that capture unspent funds from FY 2010 back to FY 2002. These data are not comparable to FY 2009 and 2010 obligations or accurate indicators of expenditures for those years.

Source: U.S. Embassy Islamabad

Flood Response Programs

The United States has responded immediately and generously to Pakistan's call for assistance following the devastating floods that began July 29, 2010. The U.S. Government's response has been consistent with its humanitarian values and commitment to Pakistan. Support to Pakistan includes financial assistance and provision of urgently needed supplies and services.

As of September 30, 2010, the U.S. Government, including USAID, DOS, and Defense, had provided a total of \$431.2 million to assist with relief and recovery efforts, including \$381.2 million to support immediate relief efforts. Also included in the total was \$60 million from the Enhanced Partnership with Pakistan Act—\$10 million was allocated for immediate relief efforts and another \$50 million for initial recovery efforts, to assist with rebuilding communities affected by the floods.

The flood response by USAID has been rapid and significant and closely coordinated with federal and local Pakistani authorities. As of September 30, 2010, USAID had provided \$313.4 million for emergency relief and early recovery through the following entities:

- \$137 million from USAID's Office of Food for Peace for emergency food assistance, \$122 million to the U.N. World Food Programme's Emergency Operation and \$15 million through two NGOs for food voucher programs.
- \$113.8 million from USAID's Office of U.S. Foreign Disaster Assistance for humanitarian assistance, providing emergency shelter for nearly 364,000 people, nutrition assistance for 60,000 children, and other relief commodities such as inflatable rescue boats, water purification tablets, and blankets.
- \$62.6 million from USAID/Pakistan for flood response support. The mission's largest program was a \$16 million grant to the U.N. Food and Agriculture Organization to provide seeds and farming inputs to flood-affected farmers so that they could plant the badly needed winter wheat crop before the end of the planting season. The funds also enabled two local organizations of which USAID had conducted preaward assessments⁷ to procure and distribute relief goods and food to flood-affected individuals. Additionally, USAID/Pakistan supported Pakistan's National Disaster Management Authority (NDMA), through a grant to the International Organization for Migration, in procuring relief supplies for NDMA distribution. The remaining funding supported mobile health teams, immunizations, safe drinking water, and the procurement of reproductive health kits for thousands of flood-affected pregnant women.

Of the total of \$431.2 million in U.S. Government support, DOS provided \$53.1 million for emergency relief and early recovery, distributed as follows:

- \$31.2 million from the DOS Bureau of Population, Refugees, and Migration (PRM) to the U.N. High Commissioner for Refugees (UNHCR) for protection, emergency shelter, and camp management.

⁷ Preaward 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.

With the funding, UNHCR assisted 1.4 million flood-affected people with shelter and nonfood items across Pakistan.

- \$18 million from PRM to the International Committee of the Red Cross for relief distributions, water supply restoration, and preventive health measures.
- \$3.9 million from the Bureau for International Narcotics and Law Enforcement Affairs (INL) for bridges (\$3.2 million), a generator (\$0.03 million), and air support (\$0.69 million).

Another \$64.2 million of the total U.S. Government contribution to date has come from DOD, and another \$3.9 million from INL, in the form of civilian and military in-kind assistance for halal meals, infrastructure support, and air support to and within Pakistan to transport goods and rescue people. The United States has 26 military helicopters in Pakistan supporting relief efforts, with more offshore on the USS Peleliu. U.S. aircraft have evacuated more than 23,000 people and delivered more than 16 million pounds of humanitarian relief supplies. Hundreds of U.S. military and civilian personnel are working in Islamabad, in flood-affected areas, and at Pakistani military bases in support of flood relief operations.

The U.S. Government is considering how to respond most effectively to address the extensive damage wrought by the floods while maintaining its focus on the long-term goals of the Enhanced Partnership with Pakistan Act. U.S. actions will be guided by the findings of a comprehensive damage and needs assessment, due to be released in October 2010. Approximately \$290 million in funding from the act, beyond the \$60 million already announced, has been tentatively identified to address early recovery and reconstruction activities. This includes funding for energy, agriculture, education, health, economic growth, and democracy and governance programs.

High-Impact, High-Visibility Infrastructure Programs

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 water. Chronic periodic shortages of both power and water limit economic growth, as does inadequate infrastructure for agroenterprise.

The devastating floods have significantly affected the agricultural sector. USAID is realigning its portfolio of programs to recover arable land for food production during the coming winter. 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 in this category of assistance.

USAID/Pakistan's Agriculture Office is realigning its portfolio to play a large part in flood relief and recovery efforts, as 80 percent of the flood-affected population relies on subsistence agriculture for food and income. To this end, the office has postponed by at least 18 months two previously planned water

management programs and refocused funding for the agricultural recovery program for Swat and Buner. Similarly, ongoing planning for support to the dairy and livestock sector has been refocused on livestock-related recovery. However, both the previously planned surface water management program for Balochistan and the support to complete the irrigation system of Gomal Zam in Waziristan are going forward.

In addition to the realignment, the Agriculture Office has developed a three-phase flood recovery strategy. Phases 1 and 2 focus on the winter and spring planting seasons and livestock recovery to increase food security, while Phase 3 focuses on infrastructure development in critical areas identified by flood damage assessments. Phase 1 of the agricultural flood relief and recovery program is targeted, as of September 2010, to provide support to over 211,300 of the most vulnerable farming households in Khyber Pakhtunkhwa, comprising 1,690,400 people. Concepts for additional programs under this phase are under review.

USAID has 18 high-impact, high-visibility programs under way, 8 of which began this quarter. USAID's new programs seek to assist Pakistan's provincial governments with water management, supply, and sanitation; health facilities; and the delivery of municipal services. USAID's new programs also support the Government of Pakistan in supplying hydropower through the rehabilitation of the Gomal Zam and Satpara Dams to meet growing energy demands.

In addition to current programs, USAID has six infrastructure programs planned. These programs will address water supply and sanitation and build health facilities including a postgraduate medical center and two hospitals. Table 3 lists USAID's current and planned programs.

Table 3. USAID's High-Impact and High-Visibility Programs as of September 30, 2010

Implementing Partner	Program Description	Status
Provincial Government of Punjab	Municipal Services Delivery Program	Current; new
Provincial Government of Sindh	Water supply and sanitation programs in Jacobabad	Current; new
Provincial Government of Balochistan	Balochistan surface water management (agriculture)	Current; new
Ministry of Food and Agriculture	High-efficiency irrigation systems	Current; new
Water and Power Development Authority (WAPDA)	Satpara Dam, hydropower and irrigation	Current; new
International Resources Group (IRG)	Power Distribution Companies Performance Improvement Program	Current; new
Ministry of Health and Provincial Government of Punjab	Lady Willingdon Hospital	Current; new
Ministry of Health and Provincial Government of Sindh	Jacobabad Civil Hospital	Current; new

Implementing Partner	Program Description	Status
International Organization for Migration, Creative Associates, Internews	Quick-impact infrastructure in FATA	Current
Habib-Rafique (Pvt.) Ltd.	Construction of Parliamentary Institute	Current
Ministry of Water and Power (MWP), Power Generation Company (GENCO I)	Jamshorro thermal power station repair and maintenance	Current
MWP (GENCO II)	Muzaffargarh thermal power station repair and maintenance	Current
MWP (GENCO III)	Guddu thermal power station repair and maintenance	Current
WAPDA	Tarbela hydroelectric power station rehabilitation	Current
IRG (previously Multan Electric Power Company)	Irrigation Tube Well Efficiency Improvement Project	Current
Knowledge Platform, SMC-PVT, Limited	Development of a model and implementation plan for the transformation of the agricultural supply chain in the District of Swat.	Current
Government of Pakistan	South Waziristan Quick-Impact Program (road, water, and electricity)	Current
Government of Pakistan	Malakand Quick-Impact Program (schools, health, water and sanitation, government capacity)	Current
WAPDA	Gomal Zam Dam, hydropower and transmission line completion	Negotiating
WAPDA	Gomal Zam irrigation (agriculture)	Negotiating
Ministry of Health and Provincial Government of Sindh	Jinnah Postgraduate Medical Center OB-GYN/Fistula Ward	Negotiating
Provincial Government of Khyber Pakhtunkhwa	Water Supply and Sanitation Program in Peshawar	Designing
Government of Pakistan	Wana Power Station	Designing
WAPDA	South Waziristan, DI Khan irrigation (agriculture)	Designing

Source: USAID/Pakistan

In response to USAID OIG's request for information on the progress of these programs, USAID provided its performance indicators, but no information on actual progress. Moreover, the performance indicators listed below differ from the illustrative indicators provided in previous quarterly reports because USAID/Pakistan is in the process of establishing new indicators across all sectors. While USAID has not yet set targets for these indicators, it does plan to track the indicators below. Accordingly, progress on programs under this category of assistance will be available when USAID

begins to track actual results achieved on its performance indicators. We believe that USAID has an imperative to accumulate, analyze, and report information on the results achieved under its programs.

The following are the output indicators with FY 2010 targets, as available, reported by USAID:

- Percent of referral facilities upgraded and meeting safe birth and newborn care quality standards (target and result: no data).
- Megawatt capacity constructed as a result of U.S. Government assistance (target and result: no data).
- Total U.S. dollar value of energy infrastructure construction (target: \$30 million; result: no data).
- Number of additional hectares under irrigation (target and result: no data).

Additionally, USAID reported the following successes and examples of progress in its agricultural and energy programs:

- The Office of Agriculture quickly and successfully developed and implemented programs to support flood recovery.
- The procurement, shipping, and installation of major equipment for the Tarbela Dam are on schedule. Expected benefits from the additional 80 megawatts of hydropower generated will be gained during the second quarter of FY 2011.
- Environmental management and monitoring plans for both Gomal Zam and Satpara Dams are being developed to ensure compliance with U.S. environmental regulations.

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

- Hiring sufficient and skilled staff in a timely manner is a challenge because the program is growing rapidly and the hiring process has not yielded expected results.
- Before USAID shifted FY 2009 and 2010 resources to flood relief and recovery, progress on implementing high-efficiency irrigation systems through a Government of Pakistan program was stalled, the Pakistani Government's Central Development Working Party having delayed program approval.

USDA's programming in this category focuses on modernizing agricultural infrastructure. In early September 2010, USDA signed a \$30 million Food for Progress grant agreement with a U.S.-based NGO to implement a new Pakistan Agriculture and Cold Chain Development Project. The project aims to advance agriculture in the Balochistan Province of southwest Pakistan by linking private sector

participants in the production of perishable goods with new cold-chain facilities⁸ and enhanced production techniques. Implementing international phytosanitary and regulatory standards will also help shift horticultural and fish production toward larger, more profitable markets. By carrying out these activities, the project seeks to improve food quality and supply, realize higher prices for producers, and ensure a higher-value end product to consumers. Winrock International, the U.S.-based grantee, has begun the implementation phase of the project.

As reported last quarter, USDA's plan for the investment of resources to support agricultural development in Pakistan has been reviewed and approved by an interagency team and the U.S. House of Representatives Committee on Appropriations. Concept notes have been shared with Pakistani and international partners, and program design will begin shortly.

DOC programs focus on the Pakistani private sector. In late September, DOC signed a contract to begin a new trade and investment promotion effort. During the reporting period, an investment promotion event was held in Karachi, and trade promotion outreach efforts were undertaken in Gujranwala, Bahawalpur, and Multan. DOC initiated a second investment-related program during the quarter that seeks to develop 40 prospectuses on potential projects in Pakistan—in the energy, transportation, telecommunications, oil and gas, and agribusiness sectors—to be shared with interested investors.

In addition to its current activities, DOC is planning programs dealing with business development and commercial law. One of these, the Special American Business Internship Training Program, likely will engage the services of the Karachi-based Center for International Private Enterprise. The other program, the Commercial Law Development Program, is in negotiations with the National University of Sciences and Technology for exchanges with the judiciary. Such exchanges are already taking place; as part of an ongoing initiative, officials from the DOC Office of General Counsel traveled to Pakistan to enhance the judiciary's enforcement of intellectual property protection and international commercial arbitration awards.

Despite its efforts to promote trade and investment, DOC reported that concerns about physical security continue to deter travel to Pakistan by American business executives, adding a significant challenge to attracting new investors and commercial ventures.

For its part, PAS has two communications programs in the category of high-impact, high-visibility infrastructure: the reestablishment of three public diplomacy centers and the procurement of electronic governance infrastructure. Secure, open-access public diplomacy centers in Islamabad, Karachi, and Lahore will be used for outreach to young Pakistanis. Because the previous centers had degraded or were unusable, during the period an assessment team reviewed proposed replacement sites.

In addition to the public diplomacy centers, PAS has a \$14 million electronic governance infrastructure project under way with Pakistan's Ministry of Information Technology. The program will provide the Government of Pakistan with needed information technology (IT) infrastructure and enable a series of

⁸ Cold-chain facilities keep goods such as food at a controlled temperature at all stages of storage and distribution.

electronic public services. Negotiations are under way with the Government of Pakistan concerning the final specifications for a data center that will provide the government with its first integrated, interagency IT structure. The Ministry of Information Technology has begun preliminary planning with other agencies to identify and prioritize electronic public services to be implemented.

Focused Humanitarian and Social Services: Immediate Postcrisis and Humanitarian Assistance

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 through international relief agencies and local institutions. 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, while DOD manages some smaller food and medical assistance programs. In addition, PAS organizes exchange programs for water resource management and emergency preparedness.

During the reporting period, USAID completed 1 program and has another 21 programs under way to support immediate postcrisis and humanitarian assistance. USAID fulfilled its commitment to provide budget support for the Benazir Income Support Program in the amount of \$160 million and is now monitoring the Pakistani Government's use of the funds. Of USAID's current programs, seven began this quarter in response to the flooding. USAID initiated programs to provide relief supplies, safe drinking water, nutritional support, and health and hygiene kits to flood-affected areas. USAID also has economic revitalization programs in areas vulnerable to conflict, such as Khyber Pakhtunkhwa and FATA.

Along with current programs, USAID is planning three programs for FY 2011. These include the provision of grants to conflict- and flood-affected businesses in Khyber Pakhtunkhwa and the rehabilitation and construction of health facilities. Table 4 lists USAID's current and planned programs for postcrisis and humanitarian assistance.

Table 4. USAID's Postcrisis and Humanitarian Assistance Programs as of September 30, 2010

Implementing Partner	Program Description	Status
Aga Kahn University	Mobile health teams and nutritional support in flood-affected areas	Current; new
United Nations Population Fund	Reproductive health and hygiene kits for women in flood-affected areas	Current; new
World Health Organization and United Nations Children's Fund (UNICEF)	Immunizations for polio and measles in flood-affected areas	Current; new
UNICEF	Maternal/child health safe drinking water in flood-affected areas	Current; new
World Bank	Multidonor trust fund which will be used to repair	Current; new

Implementing Partner	Program Description	Status
	flood damaged facilities	
Pakistan Poverty Alleviation Fund	Procurement and distribution of relief supplies for flood-affected people	Current; new
Rural Support Program Network	Procurement and distribution of relief supplies for flood-affected people	Current; new
Government of Pakistan	Cash transfer for the Benazir Income Support Program	Current; USAID provided an additional \$75 million in July, bringing the total to \$160 million.
Chemonics	Build small and medium enterprise competitiveness in areas vulnerable to conflict	Current
Khushhali Bank	Grants to terrorism-affected businesses	Current
FATA Secretariat	South Waziristan Quick Impact Program (community projects in conflict-affected areas)	Current
CHF International, Inc.	Livelihood Development Program in lower FATA	Current
World Food Programme	Emergency operation in Pakistan	Current
World Food Programme	Food Security Relief Program in Pakistan	Current
Associates in Development	South Waziristan Agency Monitoring and Evaluation Contract	Current
Government of Pakistan	Cash transfer to assist IDPs in Khyber Pakhtunkhwa—disbursed 11/2009	Current
Provincial Reconstruction, Rehabilitation and Settlement Authority	Cash transfer for housing damage assistance for Khyber Pakhtunkhwa and FATA	Current; funds disbursed to the Government of Pakistan (GOP)
Pakistan Broadcasting Corporation	Radio transmission support to FATA	Current
CDM Constructors, Inc.	Pakistan Reconstruction Project	Current
Winrock International	CRISP: Community Rehabilitation Infrastructure Support Program	Current
KPMG Taseer Hadi	Accelerated capacity building of Provincial Relief, Rehabilitation and Settlement Authority	Current
International and local organizations	Pakistan Conflict Assistance Program	Negotiating
Pakistani organization	Rehabilitation and construction of health facilities	Designing
Mennonite Economic Development Associates	Khyber Pakhtunkhwa Economic Revitalization Program grants to conflict- and flood-affected firms	Concept Stage

Source: USAID/Pakistan

In response to USAID OIG's request for information on the progress of these programs, USAID provided the following performance indicators for FY 2010, along with associated annual targets. As shown below USAID met two of its three annual targets.

- U.S. dollar value of income support provided to the Benazir Income Support Program (target: \$160 million; result: \$160 million—\$75 million provided this quarter, in addition to \$85 million previously disbursed).

- U.S. dollar value of support provided to the Multi-Donor Trust Fund (target: \$25 million; result: \$25 million provided this quarter).
- Number of families benefiting from USAID budget support to the Benazir Income Support Program (target: 600,000 family years of support; result: 167,000 family years of income support).

USAID reported that it did not establish indicators, or related targets, for flood programming. However, USAID provided the following two examples of progress in its flood response programs:

- 25 medical teams are providing primary health care services and nutritional supplements in flood-affected areas.
- 169 mobile health clinics are operating in relief camps, including in flood-affected areas.

Additionally, USAID provided the following examples of progress in its immediate postcrisis and humanitarian assistance programs:

- In July 2010, USAID disbursed a \$75 million cash transfer to the Benazir Income Support Program. The program is making progress in preparing a national Poverty Scorecard, which will allow the program to better target the use of the budget support funds by June 30, 2011.
- In July 2010, USAID disbursed a \$25 million grant to the World Bank to finance part of the Multi-Donor Trust Fund for northwestern Pakistan. The grant funds are to be used to repair flood-damaged facilities. The trust fund is assembling administrative staff to vet proposed projects and has held the first meeting of its steering committee. The trust fund plans to make as rapid a start as possible in financing specific projects.

DOD contributes to humanitarian assistance with smaller food and medical programs. DOD's programs help Pakistanis in areas of insurgency. In FY 2010, DOD committed \$30,000 to this effort.

As for PAS, it has worked to strengthen public perceptions of the United States following the devastating floods. PAS organized an exchange program on water resource management between the Pakistani and U.S. Governments; the exchange group was planning to travel to the United States in October 2010. Other exchange groups on emergency preparedness and water resource management may take place in 2011.

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

This category of assistance aims to provide quality education and health services to underserved populations, particularly those living in areas likely to come under the sway of extremist groups. In education, programs intend to 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 27 programs under way to support increased access to and quality of education and health services, including 5 programs that began this quarter. These new programs focus on educational improvement in Balochistan, Khyber Pakhtunkhwa, Punjab, and Sindh Provinces and in FATA. USAID also supports health programs to provide safe drinking water, improve children’s health in FATA, and aid in polio eradication.

In addition to its current programs, USAID is planning seven programs for education and health assistance. Of these programs, two relate to education and five to health. All seven are to be implemented by Pakistani institutions. Table 5 lists USAID’s current and planned programs for health and education.

Table 5. USAID’s Programs for Education and Health Services as of September 30, 2010

Implementing Partner	Program Description	Status
Provincial Government of Punjab	Southern Punjab Basic Education Program	Current; new
Provincial Government of Sindh	Sindh Education Program	Current; new
Provincial Government of Balochistan	Balochistan Education Program	Current; new
Provincial Government of Khyber Pakhtunkhwa	Khyber Pakhtunkhwa Education Program	Current; new
FATA Secretariat	FATA Education Program	Current; new
Lahore University Institute of Management Sciences	Educational outreach program for youth from vulnerable areas	Current
Forman Christian College	Scholarships for men and women from vulnerable and underserved areas	Current
Academy for Educational Development	Pre-Service Teacher Education Program (Pre-STEP)	Current
American Institutes for Research	Links to Learning—Education Support to Pakistan (Ed-LINKS)	Current
Rafi Peer Theatre Workshop	Children’s Global Network—interactive teaching and learning television program	Current
Academy for Educational Development	Higher Education Commission—Financial Aid Development Program	Current
American University Washington College of Law	Collaborative capacity building for human rights and gender	Current
Government of Pakistan	Budget support to Higher Education Commission	Current; funds disbursed
Government of Pakistan	Fulbright scholarships (through DOS)	Current
Higher Education Commission	Merit and Needs-Based Scholarships Program	Current
ABT Associates	Pakistan Safe Drinking Water and Hygiene Project	Current

Implementing Partner	Program Description	Status
JSI Research and Training Institute	Pakistan Initiative for Mothers and Newborns	Current
Population Council	Family Advancement for Life and Health Program	Current
Contraceptive Commodities Procurement	Contraceptive commodities for the Ministries of Health and Population Welfare	Current
John Snow, Inc.	Contraceptive logistic support	Current
UNICEF	Polio eradication initiative	Current
World Health Organization	Polio eradication initiative	Current
KNCV Tuberculosis Foundation	Tuberculosis Control Assistance Program	Current
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
Health Services Academy of Pakistan	Developing and strengthening institutional capacity in public health training and research	Current
Save the Children	Improve children's health in FATA	Current
Government of Pakistan Ministries, local organizations	Universities and teaching hospitals	Designing
Government of Pakistan	Balochistan education sector—upgrading primary to middle schools	Negotiating
National Institute of Population Studies (Pakistan)	Demographic and Health Survey	Negotiating
Government of Pakistan	Maternal and child health, family planning, and immunizations	Negotiating
Pakistani organization	Health Monitoring Implementation Program	Negotiating
Government of Pakistan	Workforce development	Designing
Government of Pakistan	Disease surveillance	Designing

Source: USAID/Pakistan

Although USAID did not provide indicators and associated targets to be used in measuring progress for its education programs, USAID identified the following indicators (with FY 2010 targets and, as available, quarterly results) for monitoring and evaluation in its health programs:

- Number of couple years of protection (CYP) through the distribution of contraceptive commodities (target: 5 million CYP; result: 800,000 CYP distributed during the quarter).
- Number of individuals who received an oral polio vaccine according to national standards (target and result: no data).

- Number of people trained in maternal health and nutrition through U.S. Government-assisted programs (target: 2,500 trainees; result: 77 people trained this quarter).
- Number of people with access to improved drinking water supply as a result of U.S. Government assistance (target and result: no data).
- Number of health care providers trained in public health through U.S. Government assistance (target: no data; result: 51 people trained this quarter).

USAID reported progress on its health projects and noted health indicators (nationwide statistics) are improving, albeit slowly because of the limited size and geographic area covered by the health portfolio. Programs are designed through intensive discussions with government counterparts to ensure that their priorities are reflected in the programs. Additionally, USAID responded rapidly to the flood disaster by quickly mobilizing resources and services.

Despite the aforementioned progress of its health programs, USAID reported a number of problems that affect program implementation:

- The Government of Pakistan lacks policy and planning coordination. Government mechanisms are slow, inefficient, and lack accountability. Further, the government does not have an approved health policy document to guide and prioritize government and donor response.
- Drastic cuts in the Government's Public Sector Development Program funds have reduced health service delivery.
- Constitutionally, responsibility for water and sanitation services rests with the provinces, but they have not issued ordinances regarding these services. With numerous government actors operating in this sector, challenges arise related to communication, coordination, and competition for funding.
- Donor coordination needs to be strengthened.

In addition to the above challenges for health programs, USAID identified the following problems that have hampered the implementation of its education programs:

- Links to Learning—Education Support to Pakistan (Ed-LINKS) is working in 11 districts in Balochistan, 11 districts in Sindh, six agencies in FATA, and six agencies in Malakand region. Because of the flooding, Ed-links has faced several problems in performing its planned activities in schools in Sindh, Khyber Pakhtunkhwa, Malakand, and Balochistan. Several Ed-LINKS-supported schools in Sindh and many in Balochistan have been partially damaged, with some schools inaccessible to Ed-Links teams. As a result, activities are on hold.
- The Pre-Service Teacher Education Program (Pre-STEP) is a national initiative to revamp teachers' professional development in Pakistan. Previously, similar activities have been limited to short-term teacher training. However, given the complex nature of this national program and nonexistent

policy framework, several activities have faced delays. Also, the project faced significant management challenges when the chief of party and the deputy chief of party for the project were replaced.

- Pakistani implementing partners are not well aware of U.S. Government policies and procedures, a factor that has delayed project implementation.

USDA's programming in this category consists of the Food for Education Program, which supports increased access to and quality of education and health services. To implement the program, USDA awarded Land O'Lakes and the World Food Programme grants totaling an estimated \$15.8 million. Under these two grants, USDA will supply an estimated 6,540 metric tons of commodities to feed schoolchildren and an estimated \$5.9 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 Land O'Lakes has begun implementation.

PAS has two programs that contribute to increased access to and quality of education services. In FY 2010, PAS implemented a \$30 million academic and professional exchange program to provide enhanced educational and professional skills, leadership training, and connections with the United States for up to 2,000 Pakistanis over a 2.5-year period. Exchanges range from short-term (3-week) visits through the International Visitor Leadership Program to full academic degree programs. The FY 2010 investments resulted in nearly 2,000 exchanges between the United States and Pakistan, along with nearly 5,000 participants in English language programs and 250 participants in teacher training programs in Pakistan. PAS plans to expand the exchange program in FY 2011 and expects the number of exchange grantees to exceed 2,500 over the next year. PAS has designated \$10 million for program implementation in FY 2011.

Also, in FY 2010, PAS began a \$19.5 million Fulbright exchange program which over a period of years is designed to increase substantially the number of faculty with master's degrees and doctorates at Pakistani colleges and universities. PAS has dedicated another \$19.5 million in USAID funds to continue the Fulbright program in FY 2011.

Government Capacity Development: Improved National and Local Governance

Programs in this category are intended to build the 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, enhance parliamentary function and oversight of the executive, 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 current and planned programs to strengthen government capacity and improve governance.

USAID has 32 programs under way to improve government capacity at the national and local levels, including 10 programs that began during the quarter. USAID's new programs support improvements in governance through the establishment of an antifraud hotline and assistance with developing an energy plan and energy and economic policy. At the provincial and local levels, USAID programs provide assistance to improve municipal services and build capacity in institutions such as the FATA Secretariat.

USAID is planning six additional programs to improve national and local governance. These programs include a parliamentary strengthening and a civil society support program. Table 6 shows the status of programs under way and planned.

Table 6. USAID's Programs to Improve National and Local Governance as of September 30, 2010

Implementing Partner	Program Description	Status
Transparency International/Pakistan	Antifraud hotline	Current; new
Pakistan Election Commission; International Foundation for Electoral Systems	Election Support Program	Current; new
Government of Khyber Pakhtunkhwa	Enhancing Malakand government capacity	Current; new
National Electric Power Regulatory Authority	Supported cost of service, benchmarking, tariff and accounting	Current; new
To be determined	Service study, regulatory accounting, benchmark analysis for the National Electric Power Regulatory Authority	Current; new
Planning Commission Energy Wing	Supported energy component of the 5-year development plan	Current; new
Ministry of Water and Power Thermal Plants	Supported repair and maintenance training for all GOP thermal plant operators	Current; new
WAPDA	Supported repair and maintenance training of staff at hydropower plants	Current; new
Competitiveness Support Fund	Economic policy support to the Pakistani Government	Current; new
Deloitte Consulting, LLC	Improve customs procedures and Pakistani Commercial Service	Current; new
Deloitte Consulting, LLC	Improve exports and trade at selected border areas with Afghanistan	Current
Development Associates International	Strengthen capacity of the FATA Secretariat	Current
FATA Secretariat	Bajaur Urban Centers (urban planning and systems for municipal government)	Current
Advanced Engineering Associates International	Energy policy and capacity building	Current
Pakistan Electric Power Company	Power Distribution Improvement Program to improve management capacity, financial systems, billings, and collections of distribution companies	Current

Implementing Partner	Program Description	Status
U.S. Department of Commerce Commercial Law Development Program	Work with the Ministry of Petroleum and Natural Resources to improve regulatory environment for natural gas	Current
U.S. Geological Survey	Work with the Ministry of Petroleum and Natural Resources to assess conventional and unconventional gas reserves	Current
To be determined (local firm)	Assist GOP with the design, management and monitoring of energy sector projects	Current
Pakistan Institute of Development Economics	Agriculture and water policy	Current
Rural Development Fund	Dairy Development Initiative	Current
Agribusiness Support Fund	Agribusiness partnerships	Current
Ministry of Food and Agriculture	Assistance to Balochistan to improve livelihoods and food security	Current
U.S. Department of Agriculture	Improve production and marketing of commodities, enhance GOP research, help eradicate agricultural diseases	Current
Aurat Foundation	Gender equity grants	Current
National Rural Support Program	Small grants program for unsolicited proposals and Chief of Mission Fund	Current
Provincial Relief, Rehabilitation and Settlement Authority	Accelerated capacity building	Current
Development Alternatives, Inc.	Legislative Strengthening Program (Phase II)	Current
To be determined	Pakistan Economic Reform Program	Current
U.S. Department of the Treasury	Tax, debt, and banking regulation advisors to the GOP	Current
Ministry of Finance and contracted firm	Economic policy support to GOP	Current
U.S. Department of Commerce	Commercial Law Development Program	Current
To be determined	Political party development	Current
Pakistani National and Provincial Parliaments	Parliamentary strengthening	Preaward survey
Pakistani NGO	Civil Society Support Program	Preaward survey
State Bank of Pakistan; Kashf Microfinance Bank	Access to finance program for small and medium enterprises	Negotiating
Provincial Government of Khyber Pakhtunkhwa	Swat and Buner Agricultural Progress Program	Design; under consideration for flood recovery assistance
U.S. Department of State (DOS)	Media and strategic communications	Designing

Implementing Partner	Program Description	Status
Pakistan Judiciary	Judicial peer-to-peer exchange (participant training)	Designing

Source: USAID/Pakistan

USAID identified the following performance indicators (some with FY 2010 targets and quarterly results) for monitoring and evaluation of its programs for improved national and local governance:

- Number of energy agencies, regulatory bodies, utilities, and civil society organizations undertaking capacity strengthening (target: no data; result: 17 during the quarter).
- Number of policy reforms, procedures, and regulations drafted for areas of tariff rationalization, utility cost of service, and renewable energy policy (target: no data; result: 15 during the quarter).
- Progress on economic policy reform and implementation index (target and result: no data).
- Number of Pakistani foreign commercial service officers trained (target and result: no data).
- Number of auditors trained (target and result: no data).
- Percentage of citizens that express confidence in institutions and processes related to municipal services (target and result: no data).

In addition, USAID provided the following examples of success in its government capacity development programs:

- The Election Commission of Pakistan launched its first-ever 5-year strategic plan with USAID technical assistance. This unique initiative defined the commission's priorities and objectives to modernize the institution into a transparent and accountable electoral manager.
- Government counterparts responded positively in initial negotiations to working directly with USAID through implementation letters.
- Despite the rain and flooding, the construction of the Parliamentary Institute building remains on track.

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

- Hiring sufficient staff in a timely manner, both in Islamabad and the provincial offices, remains a challenge as USAID's program portfolio is growing rapidly.
- Access to certain parts of the country remains a challenge, exacerbated by the flooding.
- Institutional capacity of government entities is uneven.

- Securing government buy-in in FATA is a key challenge for any program focused on improving governance. The assumption that Pakistani Government entities coordinate among themselves does not hold. Gaps appear frequently, for example, between the executive and judiciary, in terms of coordinating actions, setting policy, and sharing information.

Under this category, USDA manages three types of programs to build Pakistani institutional capacity in the agricultural sector:

- Endowments are used to 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 \$55 million.
- Technical assistance exchange programs are used to 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.
- The Trilateral (Afghanistan-Pakistan-United States) Secretariat on Agriculture established three working groups: Food Security and Applied Research, Water Management, and Trade Corridors. On September 27-30, 2010, members of the Agricultural Trilateral met in Istanbul, Turkey, to discuss the progress of USAID agricultural programs and the USDA Agriculture Investment Strategy since the June 15, 2010, meeting in Islamabad. Participants agreed on a draft framework of benchmarks for the Agriculture Working Group to use during the Strategic Dialogue meetings scheduled for October 2010 in Washington, D.C.

PAS contributes to government capacity building through its communications programs. PAS reported on two programs in this area of assistance: radio transmitter towers and a government exchange program.

The \$7 million radio transmitter tower program, approved for implementation by Pakistan Broadcasting and the Ministry of Information, will enhance the Pakistani Government's ability to be heard throughout the Khyber Pakhtunkhwa and FATA. The radio transmitters in the border regions are intended to reach areas of Pakistan that are affected by extremist conflict, strengthening the moderate voice of the government. The contract for the radio transmitter towers was awarded and construction is under way. PAS anticipates providing equipment and training to the Pakistan Electronic Media Regulatory Authority and training to Government of Pakistan spokespersons.

In addition, national and local elected officials and government employees will be invited to visit the United States for short-term visits or internships to meet with counterparts as part of an exchange program that strengthens partnerships and provides ideas for Pakistan based on American experiences.

Government Capacity Development: Improved Security and Legal Institutions

Like capacity development in national and local governance, 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.

USAID and the U.S. Embassy's Narcotics Affairs Section (NAS), Regional Security Office (RSO), and PAS support assistance programs to improve security and legal institutions in Pakistan.

USAID currently has one legal institution program that focuses on court efficiency, specifically on improving court administration. USAID's program is being implemented by Pakistan's provincial high courts.

NAS does most of its programming under this category. 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 and crop control, border security, roads and bridges in FATA and Khyber Pakhtunkhwa, 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 infrastructure projects use Pakistani contracting mechanisms.

In September 2010, NAS and the Government of Pakistan signed a letter of agreement authorizing expenditure of \$125.6 million in U.S. Government assistance funds for FY 2010. NAS plans to secure another letter of agreement with the Pakistani Government that will cover \$40 million.

To measure the progress of its programs, NAS identified lower-level performance indicators (input and output indicators) and higher-level performance indicators (outcome indicators) that will be used:

- Number of hours flown by the Air Wing under the aviation program.
- Number of kilometers of road constructed and percentage of other infrastructure projects completed under the infrastructure program.
- 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.
- Number of prosecutors trained under the rule of law program.
- Reduction in the number of hectares of poppy grown as a result of the counternarcotics program.

NAS reported the following examples of progress:

- 1,552 hours flown by the Air Wing under the aviation program. During the reporting period, missions of note included flood relief in Hyderabad, Peshawar, Multan, Sukkar, Karachi, and several other locations, and transported more than 200,000 pounds of rations, medical supplies, and several hundred affected personnel.
- \$4.76 million worth of commodities—surveillance and communication equipment, bulletproof vests, armored personnel carriers—were delivered to the Khyber Pakhtunkhwa Elite Force.
- 6 kilometers of roads were constructed in or near the poppy-growing areas of Mohmand, Bajaur, Khyber, and Kala Dhaka.
- 369 Khyber Pakhtunkhwa Elite Force and police commanders completed training sponsored by DOS International Narcotics and Law Enforcement (INL) in human rights and the use of force and in civilian police leadership.
- \$218,000 was provided to an NGO dedicated to reducing demand for drugs to conduct faith-based drug intervention programs in FATA and Khyber Pakhtunkhwa.

NAS reported that although the program had achieved some successes, new and old challenges have slowed program efforts. Because the unprecedented floods damaged or destroyed a large number of police stations, NAS ordered commodities to help reconstitute the law enforcement capability in Khyber Pakhtunkhwa. Also, NAS is working with the U.N. Office on Drugs and Crime on a plan to repair and replace flood-damaged law enforcement infrastructure. Independent of the floods, security problems, including the targeting of police trainers, persist. Also, slow visa processing, issuance of visas (for example, 30-day and single-entry) that are not appropriate for the trainers' duties, and tightly controlled and often denied clearances for access to the Air Wing compound continue to delay implementation.

For its part, the RSO at the U.S. Embassy in Islamabad reported on antiterrorism assistance funded by the Nonproliferation, Antiterrorism, Demining, and Related account. The Office of Antiterrorism Assistance has provided antiterrorism assistance to the Government of Pakistan since 1983. Antiterrorism assistance covers the 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.

According to the RSO, the goal is to assist Pakistani law enforcement agencies at the federal and provincial levels in developing the institutional capacity to prevent, interdict, and investigate terrorist activities. Program objectives for FY 2010, as identified by the RSO, are to:

- Provide tactical training to law enforcement agencies operating in Khyber Pakhtunkhwa, Balochistan, and other provinces that will allow them to counter terrorist attacks.

- Provide advanced tactical training to augment and enhance the abilities of tactical units operating in conflict zones throughout Pakistan, with emphasis on Khyber Pakhtunkhwa.
- Provide investigative and case management training to provincial and federal law enforcement agencies to increase their ability to conduct both proactive and after-the-fact investigations leading to the arrest, prosecution, and successful conviction of terrorist organizations operating in Pakistan.

RSO reported that antiterrorism assistance training was postponed for 6 months because of unspecified terrorist threats against its training academy and because the Government of Pakistan closed an interim training site. Training for the Pakistani police resumed in June 2010, and the relocation of the antiterrorism assistance training facility to a secure environment was completed in September 2010. The antiterrorism assistance program in Pakistan is proceeding with a plan to provide focused tactical, technical, and investigative training to Pakistani Government law enforcement agencies at the provincial and federal levels.

Rounding out the types of assistance under this category, PAS manages exchange programs that include short-term visits and internships for Pakistani police officials, prosecutors, and lawyers to meet and work with their counterparts in the United States to strengthen partnerships and exchange ideas. PAS also continues to support India-Pakistan exchange programs that help promote India-Pakistan dialogue; \$2 million will be used in exchanges for young political and student leaders, and journalists. A grant is being negotiated with the American Conference of Young Political Leaders to expand its exchanges in India and Pakistan, and a possible linkage between PAIMAN, a Pakistan-based NGO, and the Rai Foundation in New Delhi is being explored.

Assistance to Pakistani Institutions

The Enhanced Partnership with Pakistan Act of 2009 encourages the use of Pakistani firms and NGOs, as appropriate, to implement the assistance programs authorized under Title I of the act (Section 101(c)(3)). As noted in last quarter's report, 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 assistance on-budget⁹ to promote transparency, harmonization, and better budget planning by the Government of Pakistan.
- Reduce costs.

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 27 preaward assessments, including 3 this quarter on the following organizations:

1. Rural Development Foundation
2. Aurat Foundation
3. Lahore University of Management Sciences

USAID reported that it had 63 preaward assessments under way for Pakistani organizations, including government departments and project management units.

The first programs to be implemented by Pakistani organizations passed the preaward assessment in the areas of governance and health. Approximately 80 percent of programs sponsored by USAID's Democracy and Governance Office will be implemented through Pakistani organizations. USAID has also designed most of its new health programs to be implemented through Government of Pakistan institutions and Pakistani NGOs. In addition, it will provide funding to support government programs on maternal and child health, family planning, and immunization and to support the establishment of a disease surveillance system within the government.

According to USAID, as of September 30, 2010, it had made 61 awards totaling nearly \$1.268 billion to Pakistani institutions (Table 7). USAID reported making 28 awards totaling approximately \$392.4 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.

⁹ 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 to reduce disruptions in implementation by enabling federal and provincial governments to improve budget planning and cash-flow management.

Table 7. Assistance to Pakistani Institutions as of September 30, 2010

Type	Number of Awards	Value (\$)
Budget Support* (Cash Transfers)	6	359,000,000
Higher Education Commission (July 2010)	1	45,000,000
Higher Education Commission (April 2010)	1	45,000,000
Housing Damage Assistance for Khyber Pakhtunkhwa and FATA	1	65,000,000
Internally Displaced Persons in Khyber Pakhtunkhwa	1	44,000,000
Benazir Income Support Program	1	85,000,000
Benazir Income Support Program	1	75,000,000
Direct Funding for Federal Government Projects	11	489,621,000
High-Efficiency Irrigation Systems	1	50,000,000
South Waziristan Quick Impact Program (road, water, and electricity)	1	55,000,000
Malakand Quick Impact Program (schools, health, water and sanitation, government capacity)	1	36,000,000
Rehabilitation of Thermal Plant in Jamshorro	1	18,360,000
Rehabilitation of Thermal Plant in Guddu	1	18,068,000
Rehabilitation of Thermal Plant in Muzaffargarh	1	15,193,000
Tarbela Hydropower Plant Rehabilitation and Repair	1	16,500,000
Irrigation Tube Well Efficiency Improvement Project	1	18,500,000
Local Democratic Governance Municipal Services	1	200,000,000
Distribution Companies Performance Improvement Program	1	60,000,000
Health Services Academy (Ministry of Health)	1	2,000,000
Direct Funding for Provincial Government Programs	3	235,900,000
Punjab Education Sector Grant	1	48,000,000
Balochistan Middle Schools (budget offset)	1	40,000,000
Southern Punjab Basic Education Program	1	147,900,000
Awards to Pakistani NGOs	41	183,373,218
Balochistan Water Survey Project	1	181,559
South Waziristan Agency M&E Contract	1	3,434,388

Type	Number of Awards	Value (\$)
USAID/OTI M&E Services	1	315,987
Antifraud Hotline Program	1	3,000,000
Emergency Relief Items to Communities Affected by Floods in Pakistan	1	2,299,998
Gender Equity Program	1	40,000,000
Relief to Flood-Affected Communities in Punjab and Sindh	1	2,699,543
Small Grants and Ambassador's Fund Program	1	49,988,052
Flood Response Program	1	6,395,093
Monitoring and Evaluation for Small-Scale Infrastructure of FATA and Khyber Pakhtunkhwa Projects—Malakand (task order)	1	1,224,351
Audit and Financial Management Services (blanket purchase agreement)	15	15,000,000
USAID Recruitment Services (blanket purchase agreement)	4	4,000,000
Children's Television	1	20,000,000
Parliamentary Institute Building	1	9,300,000
Bolton Market Business Revitalization Program	1	13,000,000
Pakistan Anticorruption Program	1	400,000
Audit, Financial Review, and Related Financial Management Services (basic ordering agreement)	5	2,500,000
Strengthen Capacity of the FATA Secretariat	1	817,260
Accelerated Capacity Building of Provincial Relief, Rehabilitation and Settlement Authority	1	816,987
Pakistan Broadcasting Corporation	1	8,000,000
Total	61	1,267,894,218

* 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.

Source: USAID/Pakistan

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. From July 1 through September 30, 2010, one new and significant risk to the effectiveness of the assistance program has emerged from the floods that have submerged one-fifth of the country.

With over 20 million Pakistanis affected by the flooding, the Government of Pakistan faces increased instability if it does not deal swiftly and effectively with a growing list of challenges. Millions of displaced people need emergency shelter, food insecurity persists as more than 30 percent of Pakistan's agricultural land was devastated by the flooding, and malnutrition and disease threaten an already vulnerable population. The disillusionment of the affected population with the current civilian government could further fuel instability and conflict. Opposition leaders are calling for midterm elections, and local and municipal elections are expected within 12 months. Significant and sustained instability could undermine recovery efforts supported by the assistance program.

In addition to the flood-related risk described above, risks identified in previous quarterly reports on the civilian assistance program are summarized below:

- *Terrorist threats in the United States.* A successful terrorist attack originating in Pakistan but carried out on U.S. soil, such as the attempted bombing in Times Square, 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.¹⁰
- *Political risks.* Any softening of support for civilian rule and unambiguous opposition to all terrorist groups operating in Pakistan could endanger the assistance program and the relationship between the United States and Pakistan.
- *Resistance to change.* 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 stabilized the economy only temporarily.
- *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.
- *Direct budget support.* U.S. assistance funds to the Government of Pakistan in the form of budget support are comingled with other resources available to Pakistan. Therefore, financial management and reporting challenges continue.

¹⁰ "Nine Years After 9/11: Confronting the Terrorist Threat to the Homeland," September 22, 2010.

- *Limited institutional capacity.* Limited institutional capacity—especially in the FATA, Khyber Pakhtunkhwa, and Balochistan—creates a risk that resources might be lost through inefficiency, theft, or general lack of capacity to handle large amounts of funding.

USAID has developed strategies to mitigate flood-related risks such as program implementation delays and an uncertain political climate. Given the damage to livelihoods and agricultural infrastructure, USAID is coordinating with the Government of Pakistan and other donors to ensure that U.S. Government resources are allocated strategically toward activities with the highest and most visible impact. USAID has added elements of flood mitigation to the surface water management programs for Balochistan and Gomal Zam Dam. The Agency is addressing this political uncertainty heightened by the Government of Pakistan's slow response to the flooding by building institutional relationships at the national, provincial, and local levels and by reaching out to build a consensus around USAID's democracy and governance programs. For example, USAID has established multiparty steering committees in the national and provincial assemblies to provide oversight and guidance to future parliamentary strengthening activities.

As USAID increasingly works through Pakistani institutions, it has also developed a number of mitigation strategies to prevent the loss of funds through inefficiency, theft, or general lack of capacity of Pakistan's local governments and civil society to handle large amounts of funding. USAID's strategies work directly with Pakistani public and private partners to enhance activity management, oversight, and evaluation. For example, USAID's Office of Financial Management manages contracts to strengthen the Auditor General of Pakistan and build the audit and financial accounting capacity of local civil society organizations and private sector firms. Also, preaward assessments assist in identifying financial, administrative, and procurement weaknesses; mitigating them by including compliance activities in the agreements; and closely monitoring the implementing partner's progress. USAID's Office of Health uses preaward assessments along with technical advisors stationed in Pakistani institutions to improve activity management. Similarly, USAID's Office of Democracy and Governance expects to establish project management units in each government partner institution to serve a dedicated management function for USAID projects. Generally, these units will be staffed by both government-appointed officials from the recipient institution and outside consultants hired by USAID.

Security concerns and limited access to USAID projects in insecure areas—while an on-going challenge—are being addressed with the expansion of USAID's regional offices in Peshawar, Lahore, and Karachi and the development of a monitoring and evaluation program. USAID/Pakistan is designing a missionwide monitoring and evaluation contract and expects to award it in December 2010. The contract will help USAID's technical teams monitor ongoing projects and conduct impact evaluations.

In addition to these USAID strategies, USAID OIG has taken 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 September 30, 2010, USAID OIG had nine permanent staff in Islamabad (seven U.S. direct hires and two Foreign Service national employees), supplemented by staff on temporary duty.

- *Conducting risk assessments of awards to U.S.-based entities working in Pakistan.* As of September 30, 2010, USAID OIG had conducted assessments on 18 awards to prioritize financial audits of U.S. entities, for-profit and nonprofit, operating in Pakistan. Of the 18 awards, 5 are considered high risk and will be audited.
- *Expanding the use of independent Pakistani public accounting firms to conduct financial audits of funds provided to Pakistani NGOs.* As of September 30, 2010, USAID OIG had a roster of 23 eligible audit firms in Pakistan to call on. From the passage of the Enhanced Partnership with Pakistan Act on October 15, 2009, until September 30, 2010, USAID OIG added 11 audit firms to its list of eligible audit firms in Pakistan.
- *Providing training to Pakistani public accounting firms and to the Office of the Auditor General.* The training covers standards and requirements applicable to financial audits of U.S. Government funds. In April 2010, USAID OIG provided training to 21 auditors from the Office of the Auditor General. USAID OIG was planning to provide training for public accounting firms and Pakistani NGOs in October 2010.
- *Helping the Office of the Auditor General conduct financial audits.* OIG will help the office conduct financial audits of funds provided to Pakistani Government entities.
- *Working with Pakistan's National Accountability Bureau (NAB).*¹¹ USAID OIG established a working relationship with NAB in early 2010. Since February, USAID OIG's Office of Investigations has referred three investigations to NAB—two cases in Khyber Pakhtunkhwa and one case in Islamabad. OIG/Investigations and NAB share information and meet frequently to discuss progress in these cases. The cases under investigation include allegations of procurement fraud and bribery or kickback schemes associated with USAID-funded programs. During this quarter, a joint investigation between OIG/Investigations and NAB revealed evidence of fraud related to the procurement by a USAID implementing partner of household kits for internally displaced persons, resulting in the termination of a \$150 million livelihood development program. (For details on the results of this investigation, see page 40.)
- *Collaborating with USAID/Pakistan to establish a fraud hotline in Pakistan.* On September 22, 2010, USAID/Pakistan signed a 5-year, \$3 million cooperative agreement with Transparency International Pakistan (TI-P) to implement a fraud hotline and education program aimed to protect USAID funds in Pakistan. The fraud hotline and education program will be managed by OIG in cooperation with USAID/Pakistan. The hotline will allow individuals to report allegations of fraud or corruption related to USAID-funded programs by Internet, e-mail, telephone, fax, postal mail, or in person. In addition, the hotline will be staffed by personnel fluent in key regional languages, ensuring that individuals who do not speak English are able to make reports. As part of the project, TI-P will work closely with OIG to publicize the hotline across Pakistan as well as to provide targeted fraud prevention training sessions to USAID implementing partners, program recipients, and Government of Pakistan agencies utilizing USAID funds. The agreement was formally announced by USAID

¹¹ 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.

Mission Director Robert Wilson and Pakistani Finance Minister Hafiz Sheikh at a national forum on transparency in flood relief funding on September 23, 2010. The announcement was reported widely in print and electronic media throughout Pakistan and South Asia.

- *Providing fraud awareness briefings and expanding investigatory coverage.* To date, USAID OIG personnel have held numerous meetings with USAID/Pakistan contracting personnel, coordinated with the USAID regional legal advisor, and undertaken other activities to ensure that personnel managing USAID projects know how to report issues related to fraud and corruption.
- *Coordinating audits and investigations with other U.S. agencies.* USAID OIG works with other OIGs, 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. USAID OIG continued to receive significant investigative assistance from the FBI during this quarter.

Staffing

The U.S. Mission in Pakistan—USAID and embassy components¹²—is increasing staffing levels in Islamabad and at regional offices in Lahore and Karachi. As shown in Table 8, USAID reported a total of 210 staff (50 U.S. direct-hires and 160 others) as of September 30, 2010. Since the last quarterly report, the mission has increased its staff by 47 positions.

Although USAID/Pakistan increased its staffing by 47 positions over the past 3 months, it did not meet its September 30, 2010, target of 245 staff on board. USAID/Pakistan was understaffed by 35 positions.

Table 8. USAID Staffing in Pakistan as of September 30, 2010

Category	Islamabad	Peshawar	Lahore	Karachi	Total	Difference from June 30, 2010
U.S. direct hire	45	1	3	1	50	+12
U.S. staff from other departments and agencies*	2	0	0	0	2	0
U.S. personal services contractors	16	0	0	0	16	-1
Third-country nationals	9	0	0	0	9	+1
Foreign Service nationals (Pakistani staff)	94	16	4	5	119	+23
Eligible family members	3	0	0	1	4	+2
Long-term temporary duty staff†	10	0	0	0	10	+10
Total Staff	179	17	7	7	210	+47
Staff Target					245	
Staff Shortfall					35	

* The two staff shown are detailed from the U.S. Department of Agriculture.

† USAID/Pakistan reported that, effective September 30, 2010, long-term temporary duty staff (defined as being in Pakistan for a year) counted toward the total number of USAID/Pakistan positions.

¹² The U.S. Embassy's Narcotics Affairs Section reported that it had 84 staff and contractors on board as of September 30, 2010, including 4 U.S. direct hires. The Embassy's Public Affairs Section reported that it had 19 direct hires on board as of that date.

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 July 1, 2010

From July 1 through September 30, 2010, USAID OIG completed one performance audit, one financial audit, and one financial review:

- **Audit of USAID/Pakistan's Family Advancement for Life and Health Program (Audit Report No. 5-391-10-012-P, August 31, 2010).** This audit determined that USAID/Pakistan's Family Advancement for Life and Health Program was increasing demand for family planning services and improving these services. However, the audit also found that the required financial audits of three Pakistani organizations receiving \$24.7 million to help implement the program had not been conducted, leaving the accountability for those funds in question. Therefore, the report recommends that USAID/Pakistan require its U.S.-based implementing partner to develop a plan of action for completing the financial audits.
- **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 (Audit Report No. G-391-10-001-R, August 4, 2010).** The audit covered program costs of \$5,628,150. The agreement was to improve the competitiveness of small and medium-sized Pakistani industries through technical assistance and a match-making grant facility. The auditors identified \$355,471 in questioned costs and significant deficiencies in internal control. USAID OIG recommended that USAID/Pakistan determine the allowability of and recover, as appropriate, questioned costs of \$355,471 and improve internal controls related to audit functions, salary increases, and access to the Web server.
- **Review of USAID/Pakistan's Financial Systems and Data for the Fiscal Year Ending September 30, 2010.** This review was performed as part of the OIG's annual audit of USAID's principal financial statements. The review sought to determine whether USAID/Pakistan's financial systems and data exhibited material weaknesses that would adversely affect USAID's financial statements. The review did not disclose any such material weaknesses. However, OIG suggested that USAID/Pakistan's Office of Financial Management (1) continue to fill vacant positions, implement appropriate training for new staff, and conduct and document periodic internal control assessments

of accounting and financial management functions, (2) review all Intergovernmental Payment and Collection transactions for accuracy and verify that they are properly entered into Phoenix, USAID's accounting system, (3) continue to follow up on all advances outstanding for more than 90 days, (4) review the unliquidated, inactive obligations and continue the process of deobligating the funds, and (5) research and resolve its monthly 1221 reconciling items, and reemphasize to staff the importance of clearing items in a timely manner.

Work Under Way for FY 2011

As of September 30, 2010, USAID OIG had three performance audits and six financial audits in process:

- **Audit of USAID/Pakistan's Federally Administered Tribal Areas (FATA) Livelihood Development Program—Implemented by the Academy for Educational Development.** FATA consists of semiautonomous areas along the border with Afghanistan, where the Pakistani Government has minimal control. These areas are frequently used by the Taliban for incursions into Afghanistan. Citizens there have less access to education, health care, clean water, and sanitation than do residents in other regions in Pakistan. The FATA Livelihood Development Program is a community-based program that aims to (1) create jobs, increase incomes, and teach employable skills, (2) revitalize community infrastructure and essential services, and (3) support established businesses and develop sustainable new enterprises while providing social and economic stability to counter the growing influence of extremist and terrorist groups in the regions. The audit is assessing the program's effectiveness in improving livelihoods in upper FATA.
- **Audit of USAID/Pakistan's FATA Livelihood Development Program—Implemented by CHF International.** This audit is similar to the preceding one, but it covers the portion of the program that is implemented by CHF International in lower FATA.
- **Audit of USAID/Pakistan's Flood Relief Efforts to Deliver Food and Medical Supplies.** As part of the relief efforts in response to the recent floods in Pakistan that affected over 20 million people in 74 districts, USAID/Pakistan obligated \$5 million to two local NGOs—Pakistan Poverty Alleviation Fund and Rural Support Program Network—to procure and distribute \$4.4 million in food and medical commodities to 82,261 households. The audit is determining whether USAID/Pakistan's flood relief efforts are meeting the immediate needs of flood victims in Sindh, Punjab, and Khyber-Pakhtunkhwa.
- **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.**
- **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, Activity No. 391-AAG-012-IL-01, for Internally Displaced Persons, for the Period July 1, 2009, to June 30, 2010.**
- **Financial Audit of USAID Funds Managed by the Higher Education Commission Under the Merit and Needs-based Scholarship Project, for the Period July 2, 2004, to June 30, 2010.**
- **Financial Audit of the USAID/Pakistan Trust Funds Composed of Operating Expenses, for the Fiscal Years Ended September 30, 2007, 2008, and 2009.**
- **Financial Forensic Audit of the Academy for Educational Development for the Period April 30, 2008, to June 30, 2010.**

In addition to these audit assignments, USAID OIG has eight open investigative cases. One case relating to livelihood development programs in FATA had two significant developments during the period July 1-September 30, 2010:

- **USAID Terminated a \$150 Million Livelihood Development Program as a Result of Allegations of Fraud.** USAID/Pakistan terminated a 5-year, \$150 million livelihood development program after an ongoing OIG investigation revealed evidence of fraud related to the procurement by a USAID implementing partner of household kits for internally displaced persons. The joint investigation between OIG and NAB revealed evidence of collusion between vendors and staff of the implementing partner, resulting in overpayment for certain goods. The investigation also revealed the implementing partner had inappropriately hired relatives of the USAID agreement officer's technical representative responsible for overseeing the program. As of September 30, 2010, the implementing partner had returned \$992,206 to USAID related to this investigation.
- **USAID Terminated a Personal Services Contractor for Misuse of Official Position.** A USAID/Pakistan personal services contractor serving as the agreement officer's technical representative for two livelihood development programs totaling \$300 million was terminated after an OIG investigation revealed he misused his official position for the personal gain of relatives and solicited favors from a prohibited source. The individual took advantage of his official position to obtain employment for two of his relatives, including requesting that a USAID implementing partner create a new position for one of them. The individual was subsequently debarred from government contracts based on an OIG referral.

Work Planned for the Remainder of FY 2011

For FY 2011, USAID OIG expects to conduct six performance audits and two financial audits:

- **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 Emergency Cash Transfer Program – University and Technical Education Component.** This audit will determine whether funds provided to the Government of Pakistan under the program are being used for their intended purpose of providing budget support.
- **Audit of USAID/Pakistan’s Road Rehabilitation and Reconstruction Activities Under the Quick Impact Projects in South Waziristan.** This audit will determine whether these activities are achieving the mission’s main goal of rebuilding selected roads.
- **Audit of USAID/Pakistan’s Pakistan Firms Project.** This audit will determine whether the project is strengthening the business sector and improving the productivity and quality of Pakistani firms.
- **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 to improve the delivery of basic human services such as education, health care, water supply, sanitation, electricity, and transportation, as well as to promote economic growth in Pakistan’s rural areas.
- **Financial Audit of USAID Funds Managed by the Ministry of Economic Affairs and Statistics (Economic Affairs Division) Under the Cash Transfer Grant Agreement, Activity No. 391-012-IL-02, for Support to Low-Income Families Through the Benazir Income Support Program, for the Period September 30, 2009, to June 30, 2010.**
- **Financial Audit of USAID Funds Managed by the Ministry of Economic Affairs and Statistics (Economic Affairs Division) Under the Cash Transfer Grant Agreement, Activity No. 391-012-IL-03, for University and Technical Education in FATA Through the Pakistan Higher Education Commission, for the Period September 30, 2009, to June 30, 2010.**

Department of State Office of Inspector General

Work Under Way for FY 2011

As of September 30, 2010, DOS OIG had one performance evaluation under way:

- **Review of Pakistan Internally Displaced Persons (Performance Evaluation).** The review is determining whether (1) U.S. Government and international organizations have effectively met the protection, food, and other assistance needs of Pakistan’s IDPs, (2) whether the U.S. Government

has a coordinated and effectively managed program to protect and assist these persons, and (3) the program has accounted for the flow and use of funds provided to assist Pakistani IDPs. This evaluation is in the final report stage.

Work Planned for the Remainder of FY 2011

The 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 will also assess the system put in place for measuring, reporting, and monitoring program performance.
- **Review of Local Security Guard Program – Embassy Islamabad (Performance Evaluation).** The review will examine and summarize the requirements and provisions of the Islamabad Embassy Security Force contract, including the objectives of the contract and task orders, indicators established to measure performance, and internal controls over the contractor's performance and contract costs.
- **Review of Emergency Action Plans 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.

Department of Defense Office of Inspector General

The Department of Defense OIG has one Pakistan assignment planned for FY 2011:

- **Pakistan Security Assistance and Coalition Support Funds.** This project will assess whether security assistance and support funds have been managed effectively. Additional research will identify specific objectives.

Government Accountability Office

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

inspectors general. For example, GAO participates in the Afghanistan-Pakistan Subgroup, which is chaired by USAID OIG and focuses on oversight of U.S. programs in those two countries.

Work Under Way for FY 2011

From July 1 through September 30, 2010, the GAO had five ongoing engagements concerning Pakistan:

- **Accountability for U.S. Defense Equipment Transferred to Pakistan.** This engagement is assessing Department of Defense efforts to monitor and oversee U.S.-provided defense equipment transferred to Pakistani security forces, including sensitive defense articles and small arms. GAO expects to issue a report in November 2010.
- **U.S. Efforts to Enhance Pakistan's Security Forces.** This engagement is assessing (1) U.S. plans and funding for improving the counterterrorism and counterinsurgency capabilities of Pakistani security forces operating in the western frontier bordering Afghanistan; (2) the status of specific projects and activities and the challenges associated with implementing those efforts; and (3) the extent to which agencies' monitoring and oversight of U.S.-funded activities in support of this effort provide reasonable assurance that funds are used and activities are implemented as intended. GAO expects to complete this engagement in spring 2011.
- **Pakistan Assistance Strategy Report.** This engagement is mandated by section 302(b)(1) of the Enhanced Partnership with Pakistan Act of 2009 (Public Law 111-73). It will assess the report describing U.S. policy and strategy for U.S. democratic, economic, and development assistance to Pakistan authorized by Title I of the act (\$1.5 billion for 5 years, \$7.5 billion total). GAO is tasked with commenting on the strategy, making recommendations to improve the efficiency and effectiveness of U.S. efforts, describing Pakistan's expenditures under the Foreign Military Financing Program, and assessing the impact of U.S. assistance on the security and stability of Pakistan. GAO plans to issue a report in February 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 its security forces are not subverting the country's political or judicial processes. The act requires GAO to independently assess this certification, which GAO will do by assessing the extent to which (1) U.S. officials assessed and disclosed the reliability of evidence used to support the certification; (2) conclusions in the certification are consistent with the views of experts, academia, and other U.S. agencies, or differences are explained; and (3) there are gaps in the issues that the U.S. Government considered in making the certification. GAO expects to complete the assessment 120 days after the President's certification is sent to Congress.
- **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) U.S. officials assessed and disclosed the reliability and accuracy of documentary evidence used to support the President's certification that Pakistan is cooperating with the U.S. Government in dismantling nuclear weapons-related supplier networks; (2) conclusions in

the certification are consistent with the views of experts in private sector research organizations, academia, and other U.S. agencies, or are explained where they differ; and (3) there are gaps in the issues that the U.S. Government considered in making its certification. GAO expects to complete this assessment 120 days after the President's certification is sent to Congress.

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 September 30, 2010

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 September 30, 2010

Agency	Report Number	Report Date	Report Title
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	8/04/10	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 (CSF), for the Period February 3, 2006, to June 30, 2009
USAID	5-391-10-010-P	6/28/10	Audit of USAID/Pakistan's Primary Healthcare Revitalization, Integration and Decentralization in Earthquake-Affected Areas Project
USAID	5-391-10-001-S	6/28/10	Review of USAID's Internally Displaced Persons Programs in Pakistan
DOS	ISP-I-10-64	6/10	Inspection of Embassy Islamabad, Pakistan
USAID	5-391-10-033-R	5/18/10	Financial Audit of USAID Funds Managed by Forman Christian College, Lahore, for the Period July 1, 2007, to June 30, 2009
USAID	5-391-10-029-R	4/30/10	Financial Audit of USAID Funds Managed by Khushhali Bank for the Year Ended December 31, 2008
GAO	GAO-10-289	4/2010	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

Agency	Report Number	Report Date	Report Title
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 I—The Enhanced Partnership with Pakistan Act of 2009, Public Law 111-73

Title I. Democratic, Economic, and Development Assistance

Title I authorizes five types of programs, identified below. Also, Title I encourages the President to utilize Pakistani firms and nongovernmental organizations, as appropriate, and to work with local leaders to provide assistance. It states that assistance funds shall be utilized to the maximum extent possible as direct expenditures for projects and programs. Finally, up to \$30 million of the \$1.5 billion per year authorized for Title I will be available to the Inspectors General for the Department of State and USAID for audits, investigations, and other oversight activities.

Title I Programs

1. Consolidation of democratic institutions

- Support for efforts to strengthen Pakistan’s institutions, including the National Parliament
- Voter education and civil society training
- Political party capacity building
- Capacity strengthening for the civilian Government of Pakistan

2. Rule of law, government capacity, and respect for human rights

- Establishment of frameworks that promote government transparency and criminalize corruption
- Police professionalization, including training regarding use of force, human rights, and community policing
- Support for judicial and criminal justice systems
- Legal and political reforms in FATA
- Counternarcotics support
- Promotion of human rights
- Support for responsible, capable, and independent media

3. Economic freedom and economic development

- Investments in water resource management systems
- Farm-to-market roads, systems to prevent spoilage and waste, and other small-scale infrastructure improvements
- Investments in energy
- Employment generation
- Support for worker rights
- Increased access to microfinance
- Expanded opportunities and training for youth at risk of radicalization

4. Investment in people

- Support for primary and secondary education and vocational and technical training
- Higher-education programs
- Public health programs
- Capacity-building support for nongovernmental and civil society organizations
- Assistance to refugees and internally displaced persons and long-term development programs in high-conflict regions

5. Public diplomacy

- Opportunities for civil society and other leaders to speak out against militancy and violence
- Expanded exchange activities to promote mutual understanding and interfaith dialogue

Title II. Security Assistance

Title II authorizes three types of programs, identified below. Assistance under Title II requires certifications by the Secretary of State, under the direction of the President, that (1) the Government of Pakistan is continuing to cooperate with the United States in efforts to dismantle supplier networks relating to the acquisition of nuclear weapons-related materials, (2) the Government of Pakistan has demonstrated a sustained commitment to and is making significant efforts toward combating terrorist groups, and (3) the security forces of Pakistan are not materially and substantially subverting the political or judicial processes of Pakistan. In addition, the act provides that direct cash payments may be provided or made only to civilian authorities of a civilian government of Pakistan.

Title II Programs

1. International military education and training

It is the sense of Congress that a substantial amount of the funds appropriated for international military education and training should be for courses in counterinsurgency and civil-military relations.

2. Foreign military financing program

Grant assistance is authorized under the Arms Export Control Act¹³ to purchase defense articles, defense services, and military education and training for Pakistan. A significant portion of the amount made available to carry out this subsection for a fiscal year shall be for the purchase of defense articles, defense services, and military education and training for activities relating to counterinsurgency and counterterrorism operations in Pakistan. It is the sense of Congress that a significant majority of funds should be used for such purposes, and that the United States should facilitate reconstruction assistance, including through Pakistan's military as appropriate, in areas damaged by combat operations.

¹³ The most recent version of the Arms Export Control Act of 1976 is codified at 22 U.S.C. § 2751 *et seq.*

3. Exchange program between Pakistani military and civilian personnel and personnel in other countries

Exchange programs are authorized between civilian and military Pakistani personnel and personnel in NATO member countries and other countries, as determined by the Secretary of State, to foster mutual respect for and understanding of the principle of civilian rule of the military.

Title III. Strategy, Accountability, Monitoring, and Other Provisions

Title III requires the submission of certain strategy and monitoring reports:

- **Pakistan assistance strategy report** describing the principal objectives and specific programs planned to carry out Title I of the act (45 days after enactment).
- **Comprehensive regional security strategy report** describing a comprehensive interagency regional security strategy to eliminate terrorist threats and close safe havens in Pakistan (180 days after enactment).
- **Security-related assistance plan** describing proposed uses of security-related assistance (180 days after enactment).
- **Semiannual monitoring reports** describing assistance provided under Title I including an assessment of the effectiveness of the assistance provided (every 180 days).
- **Report by GAO** including a review of the Pakistan assistance strategy report, recommendations relating to any actions needed to improve the efficiency and effectiveness of U.S. efforts to meet the objectives of the act, a detailed description of the expenditures made by Pakistan pursuant to grant assistance under Section 23 of the Arms Export Control Act (22 U.S.C. 2763; relating to the Foreign Military Financing program), and an assessment of the impact of the assistance on the security and stability of Pakistan (1 year after submission of the Pakistan assistance strategy report).
- **GAO report regarding certifications** that (1) the Government of Pakistan is continuing to cooperate with the United States in efforts to dismantle supplier networks relating to the acquisition of nuclear weapons-related materials, (2) the Government of Pakistan has demonstrated a sustained commitment to and is making significant efforts toward combating terrorist groups, and (3) the security forces of Pakistan are not materially and substantially subverting the political or judicial processes of Pakistan (120 days after certifications are made).

Appendix II—Abbreviations

CYP	couple years of protection
DEA	Drug Enforcement Administration
DHS	Department of Homeland Security
DOC	Department of Commerce
DOD	Department of Defense
DOS	Department of State
Ed-LINKS	Links to Learning—Education Support to Pakistan
FBI	Federal Bureau of Investigation
FATA	Federally Administered Tribal Areas
FY	fiscal year
GAO	Government Accountability Office
GENCO	Power Generation Company
GOP	Government of Pakistan
IDPs	internally displaced persons
INL	International Narcotics and Law Enforcement (DOS)
IT	information technology
IRG	International Resources Group
MWP	Ministry of Water and Power
NAB	National Accountability Bureau
NAS	Narcotics Affairs Section (U.S. Embassy Islamabad)

NATO	North Atlantic Treaty Organization
NDMA	National Disaster Management Authority (Government of Pakistan)
NGO	nongovernmental organization
OIG	Office of Inspector General
OTI	Office of Transition Initiatives (USAID)
PAS	Public Affairs Section (U.S. Embassy Islamabad)
POL	Political Affairs Section (U.S. Embassy Islamabad)
PRM	Bureau of Population, Refugees, and Migration (Department of State)
Pre-STEP	Pre-Service Teacher Education Program
RSO	Regional Security Office (U.S. Embassy Islamabad)
TI-P	Transparency International - Pakistan
U.N.	United Nations
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner 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 for Peace
USTDA	U.S. Trade and Development Agency
WAPDA	Water and Power Development Authority