

February 2016

NEWS COVERAGE PERIOD FROM FEBRUARY 1ST TO FEBRUARY 7TH 2016

JAPAN PROVIDES CONCESSIONAL LOAN OF \$43 MILLION

The Express Tribune, February 3rd, 2016.

ISLAMABAD: Japan has provided a concessional loan worth \$43 million to Pakistan for energy sector reforms on Tuesday, encouraging Islamabad to tap cheap bilateral foreign loans instead of embarking upon expensive commercial borrowings.

The loan is part of the \$2-billion package international lenders have offered to Pakistan to implement structural reforms.

The World Bank and the Asian Development Bank (ADB) have already disbursed \$900 million under the second phase of reforms last year. They also disbursed the same amount in 2014.

The three lenders have developed a 'reforms programme' and set agreed policy targets in the energy sector to remove structural bottlenecks.

The \$43 million loan will be utilised for budget financing, unlike project loans that are used for creating assets.

In recent years, successive governments have preferred to tap budgetary support to finance the budget, which is creating a debt sustainability issue for the country.

The notes for the \$43 million loan were signed by Ambassador of Japan to Pakistan Hiroshi Inomata and the Economic Affairs Division Secretary Tariq Bajwa.

The loan has been given for a period of 30 years at a low interest rate of 0.1% plus London Inter-bank Offered Rates. Japan's Economic and Development Counselor Takashi Harada, while commenting on Pakistan's debt sustainability said, "Instead of obtaining high interest rates on foreign non-conventional loans, Pakistan should focus on cheap bilateral loans."

A recent report by Moody's – the international credit rating agency – stated that Pakistan's debt sustainability had weakened due to expensive Eurobond borrowings.

Due to growing reliance on short-term loans, Pakistan's external debt maturity worsened to 9.4 years in 2015 compared to 10.5 years in 2014, according to the Debt Policy Statement of 2015-16 released by Ministry of Finance.

"Pakistan is largely meeting the targets set under the reforms package," stated the Japanese embassy officials, defending the decision of granting programme loans.

"Japan is satisfied with government of Pakistan's direction to make the energy sector efficient," said Harada.

"The first year energy sector targets have largely been met, while structural issues including improving recovery of electricity bills and reducing line losses would take a longer time," said Japanese Embassy Senior Programme Officer Imran Ahmad.

The three international lenders had attached prior conditions related to the determination of multi-year electricity tariffs: to make power distribution companies attractive for privatisation and submitting the 'Energy Efficiency and Conservation Bill' to parliament. Another important condition was separation of the 'Central Power Purchasing Agency' (CPPA) from National Transmission and Dispatch Company (NTDC).

“The CPPA has been separated and is fully functional,” stated the Japanese embassy.

“The government of Japan expects the energy sector reforms to contribute to the economic stability of Pakistan as it is the highest priority of the Government of Pakistan (GoP) to resolve the energy issues”, said Ambassador Hiroshi Inomata, adding that the reforms would unleash the huge economic potential of Pakistan.

“The government of Japan intends to continue providing necessary assistance to Pakistan in the energy sector, while closely monitoring the progress of the reforms in coordination with other development partners,” he said after the signing ceremony.

An official handout of the Japanese embassy stated that the \$43 million loan was also expected to contribute to an efficient production of electricity and energy conservation to mitigate the emission of greenhouse gases from the energy sector.

“The government of Japan will cooperate with the GOP for a fair and effective international framework in which all countries will participate to achieve the below 2 Celsius? objective, it added.

The Japanese Prime Minister Shinzo Abe has recently pledged to provide 1.3 trillion yen of public and private climate finance in 2020 to assist developing countries including Pakistan at COP 21 in Paris.

<http://tribune.com.pk/story/1038886/japan-provides-concessional-loan-of-43-million/>

USAID PLANNING TO HELP GOVT MITIGATE THAR CRISIS

Dawn, February 6th, 2016

KARACHI: The US Agency for International Development (USAID) is working on a programme to help the Sindh government improve the situation in Thar, where due to malnutrition and postnatal complications a large number of children die every year.

This was stated by US Consul General Brian Heath and Deputy Mission and Director of USAID and Project Director of Sindh and Balochistan Craig Buck, who met Sindh Chief Minister Syed Qaim Ali Shah at CM House on Friday. In the meeting the chief minister expressed gratitude to the US government for its gift of the Jacobabad Institute of Medical Sciences (JIMS) and said “the people of Sindh consider this project a great US gift and service to the people of northern areas of Sindh”.

The chief minister added that the Sindh government was going to appoint more than 300 staff, including specialists, doctors and paramedics and to start indoor services in the institute.

“The outpatient department of the 150-bed JIMS is working properly which has helped a lot to reduce growing workload on the Civil Hospital Jacobabad,” the chief minister said.

The consul general said that he was very much satisfied with the working of the hospital and that he was keen to see its indoor activities so that patients could be admitted there. Replying to this, the chief minister said that preparations were afoot to recruit specialists, doctors, paramedics and other staff so that indoor activities could be started.

Referring to the Tharparkar situation, which was discussed in the Sindh Assembly for two days, the chief minister said that over 1.6 million people were living in the desert area. “We, despite our limited resources have developed the area, established more BHUs, dispensaries, upgraded taluka hospitals and have equipped the Mithi Civil Hospital equipped with necessary gadgets and medicines,” he said and added that the issue was social and cultural. He added that early marriages, births without gap, malnutrition of mothers and child had been identified as causes of deaths.

“We are trying our best to place permanent solution of the problem,” he said. He added that the Sindh government had installed 400 reverse osmosis plants to provide them safe and clean water. “Four hundred reverse osmosis plants are not enough for the area, and at least 700 reverse osmosis plants are required to cater to the needs,” he said.

The consul general and USAID director said that they were working on Thar and would help the government further improve the situation.

Recently a memorandum of understanding was signed between the USAID and the Sindh government to implement the USAID-funded “Maternal and Child Health (MCH) programme”.

Under its terms of the agreement, USAID would work with the Sindh government to provide more Pakistani families with maternal, newborn and child health services to reduce maternal and child deaths.

The MCH programme will provide at least 80 per cent of families across 15 districts of Sindh with quality health-care services.

“The main goal of the programme is to dramatically reduce maternal and infant illness and mortality. This includes working together to reach ambitious targets, such as decreasing the newborn mortality rate from 54 to 50 deaths per 1,000 live births.”

<http://www.dawn.com/news/1237665>

Proudly powered by R*

April 2016

NEWS COVERAGE PERIOD FROM APRIL 11th TO APRIL 17th 2016

US PROMISES \$100M FUND TO PROPEL PAKISTAN’S SMES

The Express Tribune, April 15th, 2016.

Zafar Bhutta

ISLAMABAD: The United States has announced that it will provide a fund of over \$100 million for investment in small and medium enterprises (SMEs), which provide a large number of jobs and make a significant contribution to the economy, through the Pakistan Private Investment Initiative.

Speaking at the launching ceremony of the Pakistan Private Investment Initiative on Thursday, US Ambassador David Hale revealed that the investment would be made in partnership with the Abraaj Group, Indus Basin Holding and JS Private Equity Management.

The initiative comprises three professionally managed investment funds that will provide equity capital for Pakistan’s dynamic and fast growing small and medium businesses.

The US Agency for International Development (USAID) has given \$24 million for each fund and the Abraaj Group, Indus Basin Holding and JS Private Equity Management will each match or provide more than USAID’s contribution.

“Our hope is that by improving access to credit for first-time borrowers, we will break down barriers for creators and innovators who will find solutions to the development challenges facing Pakistan and the world,” the envoy pointed out, believing that investment in entrepreneurs would pay dividends for the decades to come.

He described the private sector as good for boosting Pakistan’s economy. “Pakistan is making progress in economy and investor confidence is increasing for investment,” he said and called private sector investment essential for the national economy.

He noted that the government of Pakistan had achieved significant goals, especially in economy, energy and access to education and finance. There were global challenges and cooperation between Pakistan and the US was the key to achieving goals in different sectors, he said.

The ambassador stressed that the Private Investment Initiative would ensure access to finance for businesses and the industry would prosper which was in the interest of all.

USAID Mission Director John Groarke said the investment initiative marked the beginning of a new era of bilateral cooperation as the economy of Pakistan was growing but space was not enough for creating jobs.

“We know the future of economic growth rests on private sector investment and Pakistani companies will be able to get access to finance for expanding their businesses and creating thousands of jobs that are needed,” he said.

Securities and Exchange Commission of Pakistan Chairman Zafar Hijazi spoke about the regulatory framework that had been put in place for investment by private sector companies.

“Pakistan is vibrant, rich in resources and its economy is productive. The circumstances are ideal for private sector investment in the SMEs,” he said, adding small and medium business units were important for creating jobs and had also brought real profits for investors.

State Bank of Pakistan Deputy Governor Saeed Ahmad termed SMEs the backbone of every economy that could provide job opportunities. “SMEs face shortage of expertise as well as lean budgets but despite that, they are a success story,” he remarked.

<http://tribune.com.pk/story/1084761/financial-support-us-promises-100m-fund-to-propel-pakistans-smes/>

Proudly powered by R*

May 2016

NEWS COVERAGE PERIOD FROM MAY 23rd TO MAY 29th 2016

USAID OPENS WORK ON \$155 MILLION SINDH SCHOOL PROJECT

Business Recorder, May 29, 2016

The United States Agency for International Development (USAID) broke ground on construction of a school in Mondar Lakha Village. Qambar Shahdadkot District Deputy Director Fayyaz Alam Solangi planted a tree to mark the occasion, which was attended by officials, teachers, students and members of the community.

“We are committed to improving education in the province,” said Solangi. “The Sindh government and USAID are increasing access to education as well as enrollment of girls.” USAID just finished construction on the following four schools in Sukkur and Khairpur districts: Kouro Goth, Tando Mir Ali, Arain and Jhaj.

As part of its Sindh Basic Education Program (SBEP), USAID is providing \$155 million to build more than 100 state-of-art schools and is working with communities to improve school management, increase girls’ enrollment and improve the reading skills of 400,000 children.

The Sindh government is contributing \$10 million in cost sharing. In all, 20 schools will be built in Qambar Shahdadkot District with 54 already under construction in Sindh. USAID estimates that more than 50,000 students will get free education at these newly constructed schools.-PR

<http://www.brecorder.com/general-news/172/50752/>

Proudly powered by R*

June 2016

NEWS COVERAGE PERIOD FROM MAY 30TH TO JUNE 5TH 2016

USAID TO GIVE \$21M IN FOOD ASSISTANCE

Dawn, June 3rd, 2016

ISLAMABAD: The United States Agency for International Development (USAID) announced on Thursday that it would give \$21 million in food assistance to Pakistan.

The United Nations World Food Programme (WFP) will use this financial contribution to turn approximately 26,000 metric tons of Pakistani government-provided wheat into fortified flour, which will be distributed to those who need it. WFP will also use USAID funds to purchase and distribute more than 6,500 tons of food to families, especially in the Federally Administered Tribal Areas.

“The United States is committed to combating hunger in Pakistan, but we know we can’t do it alone,” said Mission Director John Groarke. “By working alongside the WFP and the government of Pakistan, we’ve been able to feed more people, save more lives, and support more communities than any one of us could have achieved alone.”

Speaking on the occasion, WFP Country Director Lola Castro said that the strong and strategic partnership among the United States government, the government of Pakistan, and WFP has made the lives of millions of vulnerable Pakistanis better, especially in areas affected by natural and man-made disasters.

“The generous funding from USAID over the years has improved food security and nutrition as well as the livelihoods and resilience of those in need,” she said.

<http://www.dawn.com/news/1262417>

<http://www.dawn.com/news/1262417>

Proudly powered by R*

August 2016

NEWS COVERAGE PERIOD FROM AUGUST 22ND TO AUGUST 28TH 2016

CENTRE SET UP TO FIND POWER CRISIS SOLUTION

The Express Tribune, August 24th, 2016.

LAHORE: Over the past few years, chronic energy shortages have cost Pakistan up to 4% fall in GDP and coupled with closure of hundreds of factories and declining production the energy shortage has crippled the economy.

In a bid to rid the country of this crisis, the United States Agency for International Development (USAID) in collaboration with the Higher Education Commission (HEC) and Arizona State University (ASU) have launched the US-Pakistan Center for Advanced Studies in Energy at the National University of Sciences and Technology (USPCAS-E).

This partnership builds on existing talent in Pakistan by providing university faculty with exposure to new technology and an opportunity to collaborate with other experts in their fields.

NUST USPCAS-E faculty member Akif Zia Khan who specialises in smart grids technology, visited ASU from January through March this year to attend a series of meetings on curriculum, lab equipment, and applied research projects with peer faculty and fellow researchers at the Power Systems Research Center (PSERC).

The US-Pakistan Center for Advanced Studies in Energy initiative is part of USAID’s larger \$127 million investment in collaboration with HEC that will harness applied research to find innovative and practical solution for Pakistan’s energy, water, agriculture, and food security challenges.

<http://tribune.com.pk/story/1168802/centre-set-find-power-crisis-solution/>

US AID LIKELY TO TOTAL LESS THAN \$1 BILLION

Business Recorder, August 27, 2016

The United States has cut both military and economic aid to Pakistan sharply in recent years, reflecting mounting frustration among a growing number of officials with the nuclear-armed country's alleged support for the Taliban in neighbouring Afghanistan.

That "frustration" has dogged US-Pakistan ties for more than a decade, but has spiked anew as the militant Islamic group has advanced in parts of Afghanistan that US and allied forces once helped to secure, US officials and analysts say.

"We're seeing a very definitive and very sharp reorienting of US policy in South Asia away from Afghanistan-Pakistan and more towards India," said Michael Kugelman, a South Asia expert with the Woodrow Wilson Center, a Washington think-tank. The US relationship with Pakistan has long been a transactional one marked by mutual mistrust, marriages of convenience, and mood swings.

Obama announced last month he would keep US troop levels in Afghanistan at 8,400 through the end of his administration, shelving plans to cut the force in half by year end. American civilian and military aid to Pakistan, once the third-largest recipient of US foreign assistance, is expected to total less than \$1 billion in 2016, down from a recent peak of more than \$3.5 billion in 2011, according to US government data. The United States has not appropriated less than \$1 billion to Pakistan since at least 2007.

The decrease also comes amid budget constraints and shifting global priorities for the United States, including fighting Islamic State militants, a resurgent Russia and an increasingly assertive China. In March, Republican Senator Bob Corker, chairman of the Senate Foreign Relations Committee, said he would seek to bar \$430 million in US funding for Islamabad's purchase of \$700 million of Lockheed Martin Corp. F-16 fighter jets.

Earlier this month, Secretary of Defence Ash Carter refused to authorise \$300 million in military reimbursements to Pakistan, citing the limited gains the country has made fighting the militant Haqqani network. The approval of such funding has been mostly routine in the past.

The US Congress has yet to authorise hundreds of millions of dollars in aid to Pakistan for the next fiscal year. The Pentagon is due to authorise \$350 million in military aid for the next fiscal year, and is unlikely to approve it under the Obama administration, a US defence official said, speaking on the condition of anonymity.

A senior Pakistani defence official said the United States will continue to need Pakistan in the fight against terrorism. Authorities in Islamabad have long rejected accusations that Pakistan has provided support and sanctuary to militants operating in Afghanistan.

"We have lost over a hundred billion dollars in fighting terrorism, which is more than anything they have given us," said the official, speaking on condition of anonymity. In any event, the official said, Pakistan can turn to other sources of aid, including China. Last year the two countries launched a plan for energy and infrastructure projects in Pakistan worth \$46 billion.

Nevertheless, the US tilt toward India, Pakistan's arch-foe, is likely to continue. US defence companies including Lockheed Martin and Boeing Co are entering the Indian market, and the country has become the world's second-largest arms buyer after Saudi Arabia, according to data compiled by the Stockholm International Peace Research Institute.

Earlier this year, India and the United States agreed in principle to share military logistics, as both sides seek to counter the growing maritime assertiveness of China.

<http://www.brecorder.com/top-stories/0:/79564:us-aid-likely-to-total-less-than-1-billion/?date=2016-08-27>

NEWS COVERAGE PERIOD FROM AUGUST 15TH TO AUGUST 21ST 2016

US ENVOY VISITS MANGO ORCHARD

Dawn, August 20th, 2016

THATTA: US Consul General in Karachi Brian Heath visited a mango orchard in Tando Hafiz Shah near here on Friday and inspected automated mango graders and processors provided by the US Agency for International Development (USAID).

USAID Deputy Mission Director Denise Herbol and Deputy Provincial Director Patrick Brady accompanied him.

“The United States is helping Pakistan boost domestic and international sales of agricultural products, including mangoes,” said the consul general.

“We want to make Pakistani mangoes as competitive as they can be in international markets,” he said.

Pakistan is the fifth largest mango-producing country in the world, but its exports are less than eight per cent of its production.

“Pakistani mango exports to the US doubled last year, setting a record at 184 tonnes, and there is even more potential in this area,” said Mr Heath.

USAID, through its Agricultural Market Development (AMD) project, is increasing access to new markets for Pakistani mango farmers while ensuring better prices through improving compliance with international grading standards and export protocols.

<http://www.dawn.com/news/1278670>

Proudly powered by R*

September 2016

NEWS COVERAGE PERIOD FROM SEPTEMBER 26TH TO OCTOBER 2ND 2016

USAID GUARANTEES \$ 88M LOANS FOR CLEAN ENERGY

Dawn, October 1st, 2016

KARACHI: The US Agency for International Development (USAID) on Friday signed an agreement with Pakistani banks to extend up to \$88 million for clean energy projects.

Consul General Grace Shelton presided over the signing of a partnership agreement between the USAID and Habib Bank, MCB Bank, Faysal Bank, Meezan Bank and JS Bank. Through US funding, this 15-year partnership will provide up to a 50pc guarantee for loans made for clean energy projects.

“The US government is excited to partner with some of Pakistan’s leading private commercial banks and support the banks’ efforts in promoting clean energy,” said USAID Assistant to the Administrator for Afghanistan-Pakistan Affairs William Hammink.

“Under the programme, smaller scale clean energy projects will be able to access long-term, rupee financing. The facility is expected to significantly improve access to financing for these smaller scale projects and encourage private investment in clean energy.” Through this agreement, approximately \$88m in financing will become available to support the development of the clean energy sector in Pakistan.

<http://www.dawn.com/news/1287160/usaid-guarantees-88m-loans-for-clean-energy>

NEWS COVERAGE PERIOD FROM SEPTEMBER 19 TO SEPTEMBER 25TH 2016
USAID DISPUTES AUDIT REPORT FINDINGS ON PARTNERSHIP WITH PAKISTAN

The Express Tribune, September 25th, 2016

Shahbaz Rana

ISLAMABAD: The mission chief of US Agency for International Development disputed on Saturday findings of an internal audit report, maintaining the State Department and USAID were working in tandem to achieve objectives set under \$7.5 billion Enhanced Partnership with Pakistan Act (EPPA).

The detailed response of John Groarke, the Mission Director of the USAID-Pakistan, and the findings of an audit of the US's civilian assistance programme suggest that there were serious differences among the US government departments, notably with the Office of Inspector-General (OIG).

The mission of the Office of Inspector General is to contribute to and support integrity, efficiency, and effectiveness in all activities of the USAID.

John Groarke also confirmed that expenses worth \$289 million were incurred on non-project activities out of the Kerry-Lugar allocations – an expense that should not have ideally been charged from the pool allocated for Pakistan.

An amount of \$46 million was spent since 2009 on USAID staff salaries and benefits out of the Kerry-Lugar funding, said the USAID mission chief.

The OIG recently conducted a performance audit of the Enhanced Partnership with Pakistan Act funding, concluding that the long-term objectives of the multi-billion-dollar programme could not be achieved because of competing priorities of the USAID-Pakistan and the State Department.

“The Audit’s critique that the State Department’s focus on short-term, politically strategic goals conflicted with USAID’s long-term development planning establishes a false dichotomy between short- and long-term planning,” stated Groarke in a written response to The Express Tribune questions.

According to him, the OIG critique also failed to acknowledge the degree to which “our investments must build upon each other to create the long-term change for which they are intended”.

Groarke said that the EPPA itself authorised a wide range of complementary short-, medium-, and long-term assistance activities, “all of which would work in tandem to achieve the overarching development goals”.

The Office of Inspector-General is responsible for ensuring integrity, efficiency and effectiveness of all USAID activities.

“The perception that long-term development objectives were overshadowed by short-term political goals does not fully appreciate the value of certain kinds of assistance to lay the foundation for future long-term growth”, said Groarke.

Interestingly, the OIG did not accept the explanation offered by USAID.

In its evaluation of the USAID management, the OIG stated: “This model is not compatible with the EPPA’s intent for long-term development because the USAID was not able to follow its development processes outlined in its policy guidance.”

The USAID mission chief also disputed the OIG finding that the mission was implementing the civilian assistance programme without any country-specific strategy. Groarke said that after the EPPA enactment, the USAID and State Department jointly designed a strategic framework for civilian assistance to Pakistan.

He also contested the OIG claim that the State Department transferred the USAID staff because of policy differences. “There is no evidence that the State Department transferred USAID staff from Pakistan due to policy differences,” said Groarke.

When asked whether the Obama administration would consider taking action against the State Department or the USAID-Pakistan officials, Groarke insisted: “USAID is meeting its development objectives for Pakistan”.

The OIG report also indicated that out of the \$7.5 billion aid, the US Congress appropriated only \$4.5 billion, but actual appropriations that reached Pakistan were far less.

“Although (an amount of) \$7.5 billion was authorised by Congress under the EPPA, it is not unusual for Congress to appropriate less than the funding amount authorised”, said the Mission Chief.

He said that no project was affected by lower appropriation because USAID developed programmes were based on “funds actually appropriated, not the amount authorised”.

The OIG report stated that of the \$3.8 billion allocated to the USAID-Pakistan, \$3.5 billion were for funding project cost and \$289 million for indirect costs.

The Mission Chief confirmed that \$289 million were spent on non-project activities, amounting to 8.2 percent of appropriations for Pakistan and roughly 13 percent of actual disbursements of \$2.3 billion as of September this year.

“The \$289 million allocated for indirect costs includes capacity-building programmes; monitoring and evaluation contracts; financial, environment and other assessments; training; communication and outreach programs; financial review and validation services; and USAID staff salaries,” said John Groarke.

He maintained that these were costs normally associated with USAID programmes around the world.

<http://tribune.com.pk/story/1187906/usaid-disputes-audit-report-findings/>

NEWS COVERAGE PERIOD FROM SEPTEMBER 11TH TO SEPTEMBER 18TH 2016

ROW WITH STATE DEPT DERAILED USAID MISSION

The Express Tribune, September 18th, 2016.

Shahbaz Rana

ISLAMABAD: The United States could not achieve its long-term development objectives in Pakistan that it had set under the \$7.5 billion Kerry-Lugar Act due to competing short-term political priorities of the State Department, says a damning report by the USAID Inspector General’s Office released earlier this month.

The report titled ‘Competing priorities have complicated USAID-Pakistan’s efforts to achieve long-term development under EPPA (Enhanced Partnership with Pakistan Act) of 2009’ reveals that against the five-year package of \$7.5 billion, actual disbursements stood at only \$1.8 billion by September last year. The EPPA is commonly known as Kerry-Lugar-Berman Act.

The report released on September 8, 2016 provides an independent oversight of US foreign assistance programmes and operations carried out by USAID. It conducted the audit to determine if USAID programmes in Pakistan contributed to the achievement of the development of EPPA objectives.

“The State Department’s budget and programming for shorter-term politically strategic goals conflicted with USAID’s longer-term development planning,” states the report. EPPA gave the lead role for assistance activities to the State Department, making it responsible for budget and project decisions.

“However, the State Department and USAID-Pakistan had competing priorities, and ultimately USAID-Pakistan had to integrate its long-term objectives with State Department’s shorter-term priorities,” the report notes.

The report further reveals that “USAID staff were sent out of Pakistan for disagreeing with State Department decisions.”

“USAID programmes have not achieved EPPA development objectives for Pakistan, notwithstanding the mission’s self-reported accomplishments,” according to findings of the audit report. About 30% of EPPA-funded awards that previously audited did not meet intended goals, and another 55% did so only partially, it adds.

The report blames the US State Department for most of the problems, which at that time was led by Hillary Clinton, who is now the Democratic party’s nominee for the November presidential election.

US authorities did not have time to achieve long-term objectives in Pakistan, as they wanted to achieve short-term objectives, so that they could report back to the Congress on a quarterly and biannual basis, said Hina Rabbani Khar, Pakistan’s former foreign minister. She also served as minister of state for economic affairs and interacted with US authorities on Kerry-Lugar funding issues.

She said that in her capacity as foreign minister, she raised the issue of US civilian assistance during bilateral meetings and urged the US authorities to put all Kerry-Lugar money into the multibillion dollar Diamer Basha dam or any single transformational project. She suggested that Pakistan does not need aid and should instead be given greater market access.

“Despite USAID-Pakistan’s efforts to work within State’s mandate, the purpose of EPPA — to support Pakistan’s long-term development as an investment in security for both Pakistan and the US — may not be achievable,” the report adds.

EPPA had authorised \$7.5 billion funding to Pakistan over five years period in civilian assistance. As of September 2014, the US Congress had appropriated \$4.5 billion, of which USAID-Pakistan received \$3.9 billion. Out of \$3.9 billion receipts by the USAID’s Pakistan office, the actual disbursements remained at just \$1.8 billion as of September 2015, according to the report.

The report’s findings are likely to further deepen the mistrust, as skepticism remains over the US real motives despite committing billions of dollars in aid to Pakistan.

Political tensions between Washington and Islamabad, negative US perception in Pakistan and change in regulations by Pakistan’s interior ministry for registration of foreign organisations were among the factors affecting implementation of the programme.

The report says that under the State Department’s direction, USAID-Pakistan did not develop a strategic development plan. USAID-Pakistan’s efforts to include health and education initiatives “were overshadowed by the State Department’s focus on energy and stabilisation,” it adds.

“State Department’s budget and programming for shorter-term politically strategic goals conflicted with USAID’s longer-term development planning.” Even before the State Department issued its initial development plan, secretary of state Clinton announced a series of high-visibility infrastructure projects intended to improve Pakistani perceptions of the US, including dams and irrigation systems, says the report.

Conflict over development programming arose between USAID and the State Department. The USAID-Pakistan staff who opposed the State Department’s decisions were sometimes dealt with strongly. According to three staffers, USAID staff was sent out of Pakistan for disagreeing with State Department decisions. While citing a USAID staffer,

the report noted that, “most of the problems could have been avoided if people better understood that these funds are not for development”.

A Country Development Cooperation Strategy for achieving targeted outcomes — a USAID requirement for all bilateral missions — was not established. The surge in US funding also outpaced USAID’s ability to effectively design and award projects. Insufficient staff resources and tensions in Pakistan further slowed programming, creating a \$1.9 billion pipeline of unexpended funds.

EPPA called for a “balanced, integrated, countrywide strategy for Pakistan but more than half of EPPA’s State Department-controlled Economic Support Funds were directed toward the State Department’s energy and stabilisation priorities, mostly focused in tribal areas and Khyber-Pakhtunkhwa.

<http://tribune.com.pk/story/1183574/kerry-lugar-berman-act-row-state-dept-derailed-usaid-mission/>

Proudly powered by R*

October 2016

NEWS COVERAGE PERIOD FROM OCTOBER 17TH TO OCTOBER 23RD 2016

USAID TO MAKE \$60M AVAILABLE FOR CLEAN ENERGY

The Express Tribune, October 19th, 2016

Peer Muhammad

ISLAMABAD: Under the new energy initiative, ‘US-Pakistan Partnership for Access to Credit’, the USAID will make at least \$60 million funds available to Pakistan in the coming years for clean energy projects. This was stated by a US delegation visiting the country.

United States Trade Representative (USTR) Ambassador Michael Froman led the delegation to Islamabad to discuss the ongoing US-Pakistan Trade and Investment Framework Agreement (TIFA).

The TIFA council meeting, hosted by Commerce Minister Khurram Dastgir Khan covered a broad range of trade and investment-related issues. “The US greatly values its economic relationship that is responsible for the livelihoods of many thousands of people and their families. We have accomplished a lot, but much more remains to be done,” Ambassador Froman said. “We believe that the best years of our relationship are in front of us as we work to fully take advantage of the enormous opportunities that lie before us.”

Both sides highlighted specific ongoing cooperation related to expanding trade and investment. They noted, for example, the September launch of a 15-year partnership between USAID and five Pakistani banks to make approximately \$88 million available for private sector clean energy development in Pakistan, under the US-Pakistan Clean Energy Partnership programme.

The US delegation noted that initial investments in Pakistan will be made this year under the Pakistan Private Investment Initiative (PPII), which involves three investment funds that match USAID funding with private sector funds to invest at least \$150 million in small and medium-sized businesses.

Between PPII, the new energy initiative and the US-Pakistan Partnership for Access to Credit, USAID will make at least \$60 million in access to financing available in Pakistan in the coming years.

Ambassador Froman also pledged to continue to support Pakistan’s strategy to improve its ranking on the World Bank’s Ease of Doing Business index.

Froman also called on Pakistani officials to discuss issues of bilateral interest. During his meetings, Froman emphasised that the United States remains committed to working with the government and the private sector to enhance bilateral trade ties.

The US-Pakistan TIFA provides a strategic framework and principles for dialogue on trade and investment issues between the two nations.

<http://tribune.com.pk/story/1203866/funding-usaid-make-60m-available-clean-energy/>

FAO, USAID SET UP OVER 800 COMMUNITY ORGANISATIONS IN BALOCHISTAN

Dawn October 22nd, 2016

QUETTA: The Food and Agriculture Organisation (FAO), in collaboration with USAID, has established more than eight hundred community organisations in Balochistan to increase the production, sale and revenues from crops and livestock.

“A total of 826 community organisations have helped improving incomes for 16,000 households in Balochistan,” said Patrick Evans, the FAO representative, in a statement on Friday.

The project would help communities and individual farmers increase the production, sale, and revenues from crops and livestock, the statement read.

It encompassed agricultural development activities in eight districts of Balochistan and Fata.

“The USAID is proud of the successful partnership we had in Balochistan with the government, the local people and FAO,” said Mr Evans, adding that he was pleased with the progress of the project creating job opportunities in the region.

“The farmers learned about new techniques, better breeds of livestock, seeds, and more efficient water management techniques,” he said, highlighting how the project would establish and train community organisations, farmers’ marketing collectives in grading and packaging, and help them find markets that pay better.

The project would also increase participation of women in income-earning activities, support improvement in provincial agricultural policies and the legal and regulatory framework for market-led and community-driven investments.

The USAID and the FAO also hosted a joint event in Islamabad to mark the completion of a \$32 million USAID-funded Balochistan Agriculture Project that was implemented by the FAO.

<http://www.dawn.com/news/1291562>

Proudly powered by R*

November 2016

NEWS COVERAGE PERIOD FROM NOVEMBER 21ST TO NOVEMBER 27TH 2016

PAKISTAN OBTAINED \$3B IN LOANS IN LAST FOUR MONTHS

The Express Tribune, November 27th, 2016.

Shahbaz Rana

ISLAMABAD: Pakistan has obtained \$3 billion in new foreign loans in the past four months, and alarmingly three-fourths of the borrowing is for meeting budget financing requirements and building foreign currency reserves.

The foreign economic assistance from July through October this year stood at \$2.95 billion, according to official statistics. However, the government obtained \$2.2 billion or 75% of the total loans for non-productive purposes.

The \$2.2 billion borrowings include \$1 billion in Sukuk Bonds, which were floated by pledging the Lahore-Islamabad motorway in collateral, and \$900 million from foreign commercial banks. Both these loans were aimed at meeting the needs of budget financing and forex reserves.

Project loans amounted to only \$750 million during this period, showed official statistics.

The \$3 billion in loans were about 38% of the annual economic assistance of \$8 billion that the government has projected to receive during the current fiscal year 2016-17.

Foreign loans are only productive when these are utilised for asset building as this provides a source of earnings to return the loans, said Dr Kasier Bengali, a renowned economist of the country.

His work suggested that with a shift in focus from project to programme loans, the country's infrastructure is completely ignored and it has started collapsing.

Bengali has argued in the past that as long as the rate of return is at least 1% higher than the cost of borrowing, foreign debt does not create trouble in debt management. However, most of the fresh borrowings are going for meeting budget financing needs, which adds burden on the government.

State Bank of Pakistan's former governor Shahid Kardar has also recently highlighted the issue of high cost of borrowings compared with the returns that the central bank gets by placing these deposits.

After reaching a peak of \$19.5 billion, the SBP's official foreign currency reserves have slipped below \$19 billion again – a result of reduction in exports and remittances receipts and increase in foreign debt repayments.

During the past three-and-a-half years, the government has been subjected to severe criticism for acquiring expensive foreign debt and increasing the overall debt mountain. A recent report of the finance ministry also indicates that Pakistan's debt sustainability indicators have worsened in the past one year.

Another notable pattern was that Pakistan's traditional bilateral sources of borrowings and grants were drying up. Out of 12 traditional bilateral partners, nine did not disburse any sum during the July-October period.

These include France, South Korea, Norway, Oman, Saudi Arabia, Organisation of Petroleum Exporting Countries (Opec) and European Union. China disbursed \$411.5 million loans from July to October. Most of Chinese financial assistance has been shifted to off the budget.

Beijing gave \$216 million loan for construction of Sukkur-Multan motorway under the China-Pakistan Economic Corridor (CPEC). Another sum of \$97 million has been released for Thakot-Havelian section of the CPEC route.

The disbursements from the traditional multilateral partners also remained slow during the first four months of this fiscal year. The World Bank released \$85.5 million, which was just 5.6% of the annual estimates.

The Asian Development Bank disbursed \$142.8 million or 13.6% of the annual estimates. The Islamic Development Bank has given \$242 million including \$212.4 million short-term expensive loan.

The United Kingdom gave \$76.2 million in grant for Benazir Income Support Programme and education projects of Punjab and Khyber-Pakhtunkhwa. The project grant from the United States stood at only \$27 million in the first four months.

Due to drying up of non-debt creating sources and increasing infrastructure development requirements, Pakistan's debt has been gradually increasing in absolute terms.

Two renowned economists, former finance minister Dr Hafiz Pasha and former director general debt Dr Ashfaq Hasan Khan, have projected that Pakistan's external debt to grow to \$110-billion by 2019-20.

However, the Finance Ministry said it was naïve to assume that the external debt would grow to \$110 billion by 2019-20 with a possible assumption that there would be no repayments during this period.

<http://tribune.com.pk/story/1245705/pakistan-obtained-3b-loans-last-four-months/>

PUNJAB FOOD, USAID SIGN MOU TO MODERNISE GRAIN STORAGE

Business Recorder, November 26, 2016

Representatives from the Punjab Food Department (PFD), Government of Punjab, and the USAID-funded Punjab Enabling Environment Project (PEEP), signed a Memorandum of Understanding (MoU) to provide technical assistance for establishment of an efficient grain storage mechanism, involving transformation of grain storage from bag to bulk handling system.

This initiative will be based on a public-private partnership model to establish modern storage facilities throughout the province. Secretary Punjab Food Department Asif Bilal Lodhi and Chief of Party USAIDPEEP Muhammad Junaid signed the MoU while the signing ceremony was witnessed by Provincial Director for USAID Alyson McFarland, Agriculture Specialist USAID Lahore Asad Khan, Head of Procurement Unit World Food Programme Snjezana Leovac, as well as farmers, investors and private sector stakeholders.

Speaking at the ceremony, Secretary PFD Asif Bilal Lodhi said: “The Punjab Food Department has been entrusted by the government of Punjab to establish 200 near-farm wheat silos with a capacity of around 20,000 million tons each to ensure quality and availability of clean wheat throughout the year. Our partnership with the USAID will help us achieve this milestone by generating private sector investments and creating job opportunities.”

Through the Transaction Advisory Services (TAS) Programme, one of PEEP’s facilitation tools, the project will provide technical assistance to PFD in setting up grain storage facilities under the PPP arrangement in Punjab. PEEP’s TAS programme offers a series of financial, technical, commercial, and legal advisory services for potential investors through project-contracted service provider KPMG Taseer Hadi & Co.

<http://www.brecorder.com/agriculture-a-allied/183/107036/>

NEWS COVERAGE PERIOD FROM NOVEMBER 14TH TO NOVEMBER 20TH 2016

AUSTRALIA OFFERS \$4.5M FOR FATA EDUCATION

Dawn November 17th, 2016

ISLAMABAD: The Australian government announced on Wednesday a contribution of \$4.5 million to the World Food Programme (WFP) of the United Nations for an education programme in the Federally Administered Tribal Areas (Fata) and frontier regions (FR).

Under the programme, WFP will provide over 312,000 children a mid-morning snack of high-energy biscuits during the school day in seven Fata agencies and six frontier regions.

Announcing the aid at a ceremony, Australian High Commissioner Margaret Adamson said her country had a long-standing history of working with the government to provide humanitarian assistance to people affected by crises.

“Since 2010 Australia has provided more than 95 million Australian dollars in humanitarian assistance to Pakistan, in partnership with the WFP, to support the victims of earthquakes, floods and displacement.

“Australian assistance has also helped provide nutrition to acutely malnourished women and children, livelihood support and school feeding programmes.”

According to WFP, providing children snacks at school has proven to significantly increase the enrolment and retention rates in WFP-assisted primary schools of Fata.

WFP said it would also give a monthly supply of vegetable oil fortified with vitamins A and D to primary school students who attend classes regularly, as an extra incentive for parents. The Australian contribution will be used for food-based assistance in the first year, while cash-based assistance will be added in the subsequent two years. Between 13,000 and 15,000 adolescent schoolgirls would receive cash assistance, which could be used for school meals instead of food-based assistance, WFP said.

These were strong incentives for parents to send their children, especially daughters, to school, which would help improve the long-term prosperity of these children, it said.

“The flexibility of this donation has allowed WFP to address the critical education needs in Fata and FR, particularly for the returnee communities,” WFP’s acting Country Director Stephen Gluning said. “There are alarming rates of illiteracy owing to high school drop-out rates among children, especially adolescent schoolgirls. By providing extra incentives for parents to send girls to school, we can take a step towards women’s empowerment,” he said.

The underlying aim of cash grants is to increase and ensure the retention of girls in schools and thus contribute to an increase in women’s literacy rate in Fata. With an overall literacy rate of 33.3 per cent, and an adult literacy rate of 28.4pc, education indicators in Fata are below the national average.

“These indicators place Fata among one of the least literate areas of the world. Improving girls’ access to education has been shown to prevent early marriage and teenage pregnancy, as well as increasing lifetime income opportunities and improving the health of future children,” WFP said. Minister of States and Frontier Regions, Abdul Qadir Baloch commended the support of WFP.

<http://www.dawn.com/news/1296878/australia-offers-45m-for-fata-education>

US CONSUL GENERAL INAUGURATES HIGH SCHOOL IN ROHRI

The Express Tribune, November 17th, 2016.

SUKKUR: The United States (US) is making all efforts to boost the quality of education in Pakistan and 106 schools are being constructed throughout Sindh for the purpose.

This was stated by US Consul General Grace W Shelton during the inauguration of the newly-constructed building of a high school in Rohri on Wednesday.

Pakistani students can prove to be assets to their country after getting good quality education, said Shelton, adding that to provide better education to students, the US is granting merit- and need-based scholarships to the students of around 30 universities throughout Pakistan.

Every year, 300 Pakistani students get scholarships in top universities of the US, she said, adding that the US is also providing training to the faculty of 17 Pakistani universities.

Thanking the US government for taking keen interest in boosting education in Sindh, the education minister, Jam Mehtab Hussain Dahar, claimed that education is the top priority of the Sindh government and, for this purpose, all available resources are being used.

Education in Sindh will become better due to the efforts of United States Agency for International Development (USAID), said Dahar, adding that we have to switch over to new and modern education to face today’s challenges and, to achieve this goal, the Sindh government has imposed an education emergency in the province.

Sindh minister Syed Nasir Hussain Shah, Sukkur Commissioner Mohammad Abbas Baloch and Sukkur Mayor Arsalan Shaikh were also present on the occasion among others.

<http://tribune.com.pk/story/1233646/gift-usaid-us-consul-general-inaugurates-high-school-rohri/>

ADB OFFERS \$1 B LOAN FOR TAPI GAS PIPELINE

The Express Tribune, November 19th, 2016.

ISLAMABAD: In a major development, the Asian Development Bank (ADB) has offered a \$1 billion loan to finance the Turkmenistan-Afghanistan-Pakistan-India (Tapi) gas pipeline project that will go a long way in meeting energy needs of the three countries, The Express Tribune has learnt from an official of the Ministry of Petroleum and Natural Resources.

The official said the ADB had worked as transaction adviser for the project and at that time it was not willing to finance the project due to 'conflict of interests'. Now that its role as transaction adviser has ended, it offered \$1 billion in financing for the Tapi pipeline project.

Talking to The Express Tribune, Mobin Saulat, the managing-director of the Interstate Gas Systems Private Ltd — the Pakistani company responsible for the import of gas into Pakistan via the project — confirmed that the ADB had offered financial assistance, but he did not reveal the exact amount.

The US has been supporting the project to meet the energy needs of Afghanistan, Pakistan and India. This is a regional energy infrastructure project and would help ease tensions between the neighbouring countries due to inter-dependence, an official said.

Turkmenistan has huge gas reserves and a major chunk of its gas goes to Russia that also supplies gas onwards to Europe. Turkmenistan has also been supplying gas to Iran. Afghanistan, Pakistan and India would be new gas markets for Ashgabat.

“The US is backing this project as it wants to divert gas supply of Turkmenistan from Russia to Afghanistan, Pakistan and India, the official said, adding this was a strategic project.

Moreover, the Islamic Development Bank (IDB) has offered \$500 million in loans to finance the project.

Turkmenistan will contribute 85% of the pipeline cost estimated at \$10 billion, whereas Afghanistan, Pakistan and India will have a 5% share each in investments. The cost is in addition to \$15 billion capital injection required for developing a gas field from where Turkmenistan will supply gas to the three countries.

Of the 85% cost, Turkmenistan will provide 51% of funds and the remaining 34% will be arranged by different financiers. “The three gas consumers could also enhance their investment share if desired,” the official said. Giving reasons for the ADB’s offer, he said the bank is influenced by Japan, adding the movement comes after field development work was awarded to a consortium of Japanese companies, which will explore gas against a service fee, but will not have any shareholding in the field.

On the other hand, the pipeline laying requires a huge quantity of pipeline material as well as compressors. “The government of Turkmenistan has finalised a plan to conduct road-shows in the UAE, Singapore and London in an effort to raise financing for engineering, procurement and construction phases of the Tapi pipeline project,” said a senior government official.

China has emerged as a leading player in laying the pipeline in Turkmenistan. A Chinese company will build the pipeline over an area of 300 kilometres in the Central Asian state.

“Pipeline contracts in Afghanistan and Pakistan will be awarded by the Tapi Company, which has been set up by the project stakeholders,” the official said.

The company will run and maintain the pipeline whereas Pakistan, Afghanistan and India will pay a tolling fee.

<http://tribune.com.pk/story/1236092/adb-offers-1b-loan-tapi-gas-pipeline/>

Proudly powered by R*

December 2016

NEWS COVERAGE PERIOD FROM DECEMBER 12 TH TO DECEMBER 18TH 2016

US TO PROVIDE \$81M FOR N. WAZIRISTAN DAM

Dawn, December 15th, 2016

ISLAMABAD: The United States will provide \$81 million to the Water and Power Development Authority (Wapda) for the construction of the Kurram Tangi dam in North Waziristan.

The US Agency for International Development (USAID) and Wapda signed an agreement for stage-1 of the project Kaitu Weir. Minister for Water and Power Khawaja Asif presided over the ceremony where American Ambassador David Hale and Wapda Chairman retired Lt Gen Muzammil Hussain signed the agreement.

Speaking on the occasion, Mr Asif said the USAID's grant of \$81m for the project was a milestone in the civilian assistance programme of the US.

He said the project would boost socio-economic development in the remote areas of North Waziristan and Khyber Pakhtunkhwa.

Referring to the increasing need of water and electricity in the country, he said that the government had taken up the challenge of harnessing water and hydropower resources in an upfront manner.

"America and Pakistan have a long history of cooperation in the energy sector," Ambassador Hale said. "The agreement signed today builds on decades of shared efforts to meet Pakistan's energy needs and help improve lives of millions of Pakistanis."

The Wapda chairman thanked the US government and the USAID for supporting Pakistan and the authority for sustainable development of water and hydropower sectors. He said the Kurram Tangi dam project would be constructed in two stages with gross water storage capacity of 1.2 million acre feet (MAF) and electricity generation capacity of 83.4 megawatts (MW). He said the construction work in stage-II of the project would start soon.

The Kaitu Weir is the stage-I of the project. With the completion of this stage, more than 16,000 acres of agricultural land will be irrigated and an additional 18MW of electricity will be produced, which would be enough to benefit 100,000 people.

<https://www.dawn.com/news/1302456/us-to-provide-81m-for-n-waziristan-dam>

Proudly powered by R*