

January 2018

NEWS COVERAGE PERIOD FROM JANUARY 29TH TO FEBRUARY 4TH 2017

LAW CHANGE TO ALLOW US TO WITHHOLD \$350M AID TO PAKISTAN: REPORT

Dawn, February 2nd, 2018

Anwar Iqbal

WASHINGTON: Some legislative changes in the US National Defence Authorisation Act (NDAA) this year will lead to withholding of \$350 million American aid to Pakistan, says an official US report.

On Jan 4, the US State Department announced that Washington had suspended security assistance to Pakistan until Islamabad took decisive action against the Taliban and the Haqqani network.

So far, various figures have been quoted on how much aid has been suspended. But the report by the office of the US Special Inspector General Afghanistan Reconstruction (SIGAR) is the first to quote a specific figure.

The report, submitted to Congress this week, also warned that the Afghan government has been gradually losing control over its territory.

Since 2009, the number of districts controlled or influenced by the Afghan government has been declining gradually while the number controlled or influenced by the militants has been rising, the report added. Inspector General John Sopko also complained that the Pentagon had restricted SIGAR's access to information about war casualties and on the areas that are under the control of Taliban and the Afghan government.

But on Tuesday, the BBC news network published a report on the current situation in Afghanistan, showing that the Taliban are active in 70 per cent of the territory, fully controlling four per cent, and have an open physical presence in another 66 per cent.

"Presumably the Taliban knows the territory that it has won, and the government knows the territory that it has lost," Peter Galbraith, a former United Nations' Deputy Special Representative for Afghanistan, told Al Jazeera.

In a chapter titled "Regional Dynamics," the SIGAR report pointed out that US frustration with Pakistan grew throughout the reporting period, November 2017 to January 2018. On Jan 1, President Donald Trump tweeted that Pakistan provides safe haven to terrorists who operate in Afghanistan and vowed to no longer provide foreign aid to Pakistan. And four days later, the administration announced that it was suspending security aid to Pakistan.

<https://www.dawn.com/news/1386822/law-change-to-allow-us-to-withhold-350m-aid-to-pakistan-report>

NEWS COVERAGE PERIOD FROM JANUARY 22ND TO JANUARY 28 TH 2018

BILL IN US SENATE SEEKS TO PERMANENTLY END ALL AID TO PAKISTAN

Dawn, January 27th, 2018

Anwar Iqbal

WASHINGTON: US Senator Rand Paul has introduced proposed legislation that prevents the federal government from processing almost \$2 billion civilian assistance to Pakistan and seeks to make this ban permanent.

Instead, the bill will redirect those funds, amounting to \$1.28bn from the State Department and \$852 million from the United States Agency for International Development to the Highway Trust Fund.

Congressmen Mark Sanford, a Republican from South Carolina, and Tulsi Gabbard, a Hawaii Democrat, will be introducing companion legislation in the US House of Representatives.

President Donald Trump endorsed the move to block civilian aid to Pakistan when Senator Paul announced his plan to introduce the bill earlier this month. "Good idea Rand," Mr Trump tweeted.

Senator Paul, who is known on Capitol Hill for his strong anti-Pakistan views, said he had moved the bill because he did not believe Pakistan was America's ally.

"We fail our responsibilities to protect our country and properly steward taxpayers' hard-earned money when we support countries that chant 'Death to America' and burn our flag," he said in a statement issued by his office.

"Let's bring that money home and use it to help rebuild our infrastructure instead of giving it to a nation that persecutes Christians and imprisons people such as the doctor that helped us get Osama bin Laden," he added.

The statement pointed out that President Trump also supported the proposal.

The introduction of the bill is only the latest effort by Senator Paul to end US assistance to Pakistan.

In July 2012, he introduced an amendment to limit foreign assistance to Pakistan unless it released Dr Shakil Afridi, the Pakistani doctor who helped the US track down and kill Osama bin Laden.

Senator Paul introduced another amendment in September 2012 to strike the \$4 billion-a-year foreign aid to Pakistan, Egypt and Libya, which would have then provided an additional \$2bn to the \$1bn jobs bill for veterans and applied the remaining \$2bn to reducing the federal deficit.

Later that month, Senator Paul secured a vote on standalone legislation cutting the aid contingent upon factors including the release of Dr Afridi, with nine other senators joining him.

In March 2016, he forced the Senate to vote on the sale of \$700m F-16s to Pakistan, with 23 other senators joining him in opposition to the sale.

Additionally, Mr Paul has repeatedly urged Pakistan to reform laws that allegedly target religious minorities, including introducing a resolution last April to call on Pakistan to end the unjust imprisonment of Christian woman Aasiya Noreen, commonly referred to as Asia Bibi.

Earlier this month, the Trump administration suspended nearly all US security aid — about \$1.3bn a year — to the country to force it to launch a crackdown on the Haqqani network.

The move followed a New Year Day tweet by President Trump, accusing Pakistan of “nothing but lies & deceit” and providing “safe haven to the terrorists we hunt in Afghanistan.”

While announcing the suspension order, US officials indicated the freeze could be lifted if Pakistan reversed course and cut off contact with militants and reassigned intelligence officers with links to extremists.

But Senator Paul’s bill goes beyond security assistance and seeks to end all US aid to Pakistan and would make the ban permanent.

<https://www.dawn.com/news/1385578/bill-in-us-senate-seeks-to-permanently-end-all-aid-to-pakistan>

NEWS COVERAGE PERIOD FROM JANUARY 1ST TO JANUARY 7TH 2018

US CONFIRMS NEW PAKISTAN AID CUTS

Dawn , January 03, 2018

Anwar Iqbal

WASHINGTON: The White House has confirmed suspending \$255 million of military aid to Pakistan, a move seen as the first step to implementing President Donald Trump’s pledge to tighten economic restrictions on Pakistan.

In his first tweet of the New Year, President Trump accused Pakistan on Monday of basing its relationship with the US on “nothing but lies and deceit”. He claimed that the US gave \$33 billion aid to Pakistan over the last 15 years but in return “they give safe haven to the terrorists we hunt in Afghanistan, with little help. No more”.

Hours after the tweet, White House spokesman Raj Shah told reporters in Washington that “the United States does not plan to spend the \$255 million in ... foreign military financing (FMF) for Pakistan at this time”.

The money, set aside for providing military training and equipment to Pakistan, has already been appropriated by the Congress.

A spokesman for the White House National Security Council also told reporters that “Pakistan’s actions in support of the (new US) South Asia strategy will ultimately determine the trajectory of our relationship, including future security assistance”.

He said that President Trump had already conveyed this message to Islamabad, making it clear that “the United States expects Pakistan to take decisive action against terrorists and militants on its soil”.

Various US media outlets reported on Tuesday that the Trump administration had informed Pakistan in August that it was temporarily withholding the \$255m, which was part of a \$1.1bn aid package authorised in 2016 by the Congress. The money was put on hold until Pakistan agreed to do more to combat terrorist networks.

Official sources told Dawn last week that the Trump administration was adding to existing cuts on reimbursements to Pakistan by withholding \$255m from the FMF. When added to the \$350m withheld from the Coalition Support Fund (CSF), the aid cuts reduce the annual US aid package to Pakistan from an estimated \$1,100m (1.1bn) to less than \$500m.

The US was withholding \$255m in aid from Pakistan because of its failure to cooperate fully in America's fight against terrorism, US Ambassador to the United Nations Nikki Haley said, according to Reuters.

"The administration is withholding \$255m in assistance to Pakistan. There are clear reasons for this. Pakistan has played a double game for years," she told reporters at the United Nations.

"They work with us at times, and they also harbour the terrorists that attack our troops in Afghanistan. That game is not acceptable to this administration. We expect far more cooperation from Pakistan in the fight against terrorism."

<https://www.dawn.com/news/1380457/us-confirms-new-pakistan-aid-cuts>

PAKISTAN NEEDS TO EARN THE MONEY IT GETS, SAYS US

Anwar Iqbal

Dawn, January 04, 2018

WASHINGTON: The US State Department has said that Pakistan needs to earn the money it gets from Washington while the White House warned that President Donald Trump can follow through his pledge to stop US assistance to Pakistan if it does not change its Afghan policy.

The two statements were part of the regular news briefings at the White House and the State Department on Tuesday where reporters appeared perturbed about the timing of the tweet Mr Trump sent out at 4am on Monday, threatening Pakistan with dire consequences of its alleged support to the militants.

At the State Department, Spokesperson Heather Nauert seemed aware of the unpopularity of the "do more" phrase and avoided it, at least once. "I don't want to say that Pakistan can do more, but Pakistan knows what it needs to do," she said.

But Ms Nauert minced no words when asked why President Trump was threatening to stop US economic and military assistance to Pakistan.

"They need to better earn, essentially, the money that we have provided in the past in foreign military assistance, they need to show that they are sincere in their efforts to crack down on terrorists," she said.

At the White House, Press Secretary Sarah Sanders reminded Pakistan that President Trump "does what he says" and he will follow through the commitment he made.

Both statements emphasised the point that there's no immediate reason behind the tweet that seems to have stirred a wave of anti-American sentiments across Pakistan. Mr Trump was only re-emphasising his frustration with Pakistan's Afghan policy.

"The president is simply following through on a commitment that he made, because this is a president that does what he says he's going to do," said Sanders when asked what precipitated President Trump's tweet about threatening to withhold future US aid to Pakistan.

"We know that Pakistan can do more to fight terrorism, and we want them to step up and do that," she added, negating the State Department's effort to avoid using an unpopular phrase.

Despite her denial, reporters at the White House briefing continued to ask Ms Sanders what caused Mr Trump to send out a tweet at 4am.

Some reminded that the US-Pakistan disagreement on the Haqqani network was a long-running dispute between the two governments, so there has to be a reason for sending such a harsh message to Islamabad.

Ms Sanders traced it back to the new Afghan strategy President Trump outlined in August reminding Pakistan that it was not fulfilling its obligations. Another journalist looking for a cause for the tweet referred to Mr Trump's UN envoy Nikki Haley's statement, saying that the aid cut for Pakistan was not tied to the United Nations vote on Jerusalem.

"First, in terms of Pakistan, as I said, our goal is that we know that they can do more to stop terrorism, and we want them to do that. That seems pretty simple," Ms Sanders said.

Responding to the second part of the question — when would the US announce sanctions on the nations that voted against it in the UN on the Jerusalem issue last month — the White House official said: "I think you'll see some more details come out on that in the next 24 to 48 hours."

At the State Department, Ms Heather too had to face the same question — "why did the administration choose this week to announce it is withholding aid from Pakistan"?

"Actually, no, we didn't. That was an announcement that came out back in August, and for some reason, people got interested in it again. But that is not a new announcement that we would hold back on that money," she responded.

"Pakistan is an important partner. We have a lot of issues in that region. Pakistan knows that, we all know that, and we try to work carefully together on some of those issues," said Ms Heather.

"The president has made clear in the past also... that the US expects Pakistan to take decisive action against the Haqqani network and other militants who are operating from its soil," she added.

<https://www.dawn.com/news/1380660/pakistan-needs-to-earn-the-money-it-gets-says-us>

Anwar Iqbal

WASHINGTON: The Trump administration announced on Thursday it is suspending its entire security assistance to Pakistan until it proves its commitment to fight all terrorist groups operating in the region.

State Department spokesperson Heather Nauert told a news briefing in Washington that the cut-off is not permanent and only affects military assistance.

Official sources told Dawn that the proposed plan does not call for “a total cut-off”. Instead, it suggests a “condition and issue-based approach”.

Under the new approach, funds would be allocated to a particular purpose identified with the allocation and would be released only after that target is achieved. The targets identified with the allocation could be strategic as well as issue specific.

Ms Nauert said the suspension will remain in effect until Pakistan “takes decisive action” against groups such as the Taliban that are “destabilising the region and targeting US personnel”. Although Pakistan “certainly has been helpful in some instances,” she said, “they are not taking steps they need to take to fight terrorists.”

The aid suspension will include equipment and the transfer of security-related funds, with possible exceptions for US national security reasons.

“We are still working through the numbers,” said Ms Nauert when asked to give an estimated impact of the suspension in dollars.

But the Trump officials had already suspended \$255 millions of security assistance from the Foreign Military Financing (FMF) fund, which is used to provide military equipment and training to a friendly country.

The US Congress has also taken away half of the \$700m set aside for reimbursing Pakistan for supporting US war efforts along the Pak-Afghan border.

The suspension will now affect the remaining \$350m in this account, known as the Coalition Support Fund.

Reports of an impending action against Pakistan have been circulating in Washington since Monday, when President Donald Trump sent out a tweet at 4am, accusing Pakistan of taking billions of dollars in aid and in return giving “nothing but lies & deceit, thinking of our leaders as fools”.

The plan to cut security assistance for Pakistan also comes as the Trump administration seeks more cooperation from Islamabad as part of its strategy in Afghanistan.

Ms Nauert said the latest measure would also suspend other security assistance, but did not specify what that covered, saying it was administered by the Defence Department.

Earlier Thursday, Defence Secretary Jim Mattis said that the policy on military aid is “still being formulated.”

The Trump administration also has other options, besides suspending or stopping its economic and security assistance to Pakistan. It can remove Pakistan from a list of major non-Nato allies and can also designate it a state sponsor of terrorism.

Yet another option is to work with India and Afghanistan to bring more pressure on Pakistan.

“As it plans to announce new actions on Pakistan very soon, the Trump administration should consider measures that go beyond previous attempts to change Pakistani behaviour,” said Shamila N. Chaudhary, a former director for Pakistan and Afghanistan on the White House National Security Council during the Obama administration.

“It’s time to ask a new question: how do we deal with a country that has areas of conflicting interests with our own, but one that demands our long-term attention?” she told a US radio network NPR.

Also on Thursday, US Secretary of State Rex Tillerson placed Pakistan on a special watch list for severe violations of religious freedom. A brief announcement by the State Department said that for the first time it has created a ‘Special Watch List’ for countries that “engage in or tolerate severe violations of religious freedom but may not rise to the level of CPC (Countries of Particular Concern).

The department placed only Pakistan on this list.

Pakistan, however, is not on the list of 10 nations that violate religious freedom in a “systematic, ongoing, egregious” manner. That 10-state list includes Myanmar, China, Eritrea, Iran, North Korea, Saudi Arabia, Sudan, Tajikistan, Turkmenistan and Uzbekistan.

The US Commission on International Religious Freedom, which prepares the annual report on religious violations, has been recommending for the past several years that Pakistan be placed on the CPC list but the secretary ignored its recommendations.

<https://www.dawn.com/news/1380876/america-suspends-entire-security-aid-to-pakistan>

AID CUT INCENTIVE, US TELLS PAKISTAN

Dawn, January 06, 2018

Anwar Iqbal

WASHINGTON: “We’re hoping that Pakistan will see this as an incentive, not a punishment,” said a US State Department official while explaining Thursday’s decision to suspend all security aid to Islamabad.

“The United States will not deliver military equipment or transfer security-related funds to Pakistan unless required by law,” the official said. “Exceptions may be made on a case-by-case basis if they are determined to be critical to national security interests.”

He was one of two senior State Department officials who briefed the media hours after the suspension order was announced at a late Thursday afternoon news briefing in Washington.

Claiming that the action that practically severs the security relationship between the two former allies, the officials urged Pakistanis not to see this as punishment.

“The Pressler Amendment was a punishment or — I mean, you can call it a punishment — for having launched a nuclear programme,” said one of them, referring to a 1985 sanction that banned most security and economic assistance to Pakistan.

“The suspension is not a permanent cut-off at this time. Security assistance funding impending deliveries will be frozen, but not cancelled, as we continue to hope Pakistan will take the decisive action against terrorist and militant groups that we seek,” the official added. “We do not intend to reprogram any funds at this time.”

Pakistan can access those funds if it accepts US demands for taking effective actions against the Haqqani network as the funds do not expire until September 30, 2018. Funds it can also access include Foreign Military Financing, which is good for seven years.

US civilian assistance programmes in Pakistan are not included in the suspension, which includes \$223 million from FY17 and \$211 million earmarked for FY18.

“The elements of the Pakistani government that need to take the steps that we’re talking about are not touched by civilian assistance, and so it wouldn’t make any sense to tie civilian assistance to those steps that we’re asking for,” said one senior State Department official.

The two officials explained that since Aug 21, when President Trump announced his new South Asia strategy, the US had made it clear that its relationship with Pakistan will now be evaluated on an ongoing basis on Pakistan’s responsiveness to US requests for support on implementing the new policy.

<https://www.dawn.com/news/1381136>

February 2018

NEWS COVERAGE PERIOD FROM FEBRUARY 26TH TO MARCH 4TH 2018

\$7.7M JAPANESE AID FOR IMPROVING LIVELIHOODS IN FATA

Amin Ahmed

Dawn, February 28th, 2018

ISLAMABAD: The Japanese government has announced grant assistance worth \$7.7 million to support Foot and Mouth Disease (FMD) control in livestock of Pakistan and promote economic opportunities in Federally Administered Tribal Areas (Fata) through agricultural development.

During a ceremony on Tuesday, Ambassador of Japan Takashi Kurai and FAO Representative in Pakistan, Mina Dowlatchahi, exchanged and signed notes for the two projects — which would be implemented by the Food and Agriculture Organisation (FAO) of the United Nations. Minister for National Food Security and Research, Sikandar Hayat Khan Bosan, was also present on the occasion.

A grant agreement on the details of implementation of the project was signed between Chief Representative of Japan International Cooperation Agency (JICA) and FAO representative, Dowlatchahi.

The FMD is the most prevalent and economically important infectious disease of livestock in Pakistan. The project will significantly improve the FMD outbreaks surveillance and rapid response mechanism for disease control and reduce the incidence of the disease in the country.

The \$2.7m project would help curtail the losses caused by the disease and improve productivity of livestock contributing to food security and improved resilience of livelihood of livestock farmers to animal disease threats.

According to official statistics, Pakistan has a large livestock population including 82.1m cattle and buffaloes, and 102.3m sheep and goats. Livestock is an important source of income for the producers year round and milk sales alone represent a cash flow of \$7.7bn annually mostly to smallholders consisting of 8.5m families in rural areas. The FMD severely affects milk production in addition to mortality in calves and loss of body condition and draught power.

In recent years, FAO has completed three projects addressing FMD control in Pakistan with the assistance of the Italian government and US Department of Agriculture, resulting in the implementation of the national FMD control programme and progression of Pakistan from stage one to stage two in 2015.

The Japanese assistance of \$5m for the second phase of the restoration of livelihood project in Fata will help reduce poverty and promote economic opportunities in the region through agriculture development which will support stabilisation and economic growth in the area.

In 2015, Japan funded \$5m for the first phase of the restoration of livelihood project, and FAO successfully supported approximately 77,000 households to resume agricultural production that helped improve food security and livelihoods. Under the second phase of the project, the Japanese government through FAO will provide support to about 32,000 households in the two targeted agencies of Fata — Kurram and Khyber Agencies.

Speaking on the occasion, food security minister Bosan said that the government considered agriculture as a key area of focus to ensure food security for all segments of the society. The growing agriculture sector not only played a vital role in boosting national economy but also reducing poverty and improving access to food, he added.

Ambassador Kurai believed that the two projects would not only contribute to the improvement of production of agricultural goods but also to the socio-economic development of Pakistan.

FAO representative Dowlatchahi stated that the projects would contribute to the development of the agricultural sector in Fata by improving food security, boosting economic activities and markets and as a result help achieve peace and security in the area.

JICA Representative Tojo said that the project would make a significant contribution toward stabilisation of the area and essentially focus on agribusiness and value chain development to boost commercial agriculture in the region.

<https://www.dawn.com/news/1392214/77m-japanese-aid-for-improving-livelihoods-in-fata>

NEWS COVERAGE PERIOD FROM FEBRUARY 12TH TO FEBRUARY 18TH 2018

MILITARY AID TO PAKISTAN WILL HELP DEFEAT IS, AL QAEDA: US

Dawn, February 14th, 2018

Anwar Iqbal

WASHINGTON: The Trump administration has asked Congress to approve \$336 million of civil and military aid to Pakistan for the next fiscal year, arguing that the proposed military assistance will help defeat Al Qaeda and the militant Islamic State (IS) group.

The total request is \$10 million less than the previous year and links the defence assistance to Islamabad's action against alleged terror safe havens on its soil.

The proposed military assistance includes \$80 million from the Foreign Military Financing (FMF) fund, \$20 million less than \$100 million from the last fiscal year. In 2017, the administration received \$242.25 million for Pakistan from this fund. The 2019 proposals also mention that the FMF funds accumulated since 2017 include an OCO (Overseas Contingency Operations) component of \$242.25 million.

The budget not used in a given year, such as those for 2017 and 2018, can be carried forward to the next fiscal year, 2019, which begins on Oct 1.

This is particularly important for Pakistan, as large amounts from the previous allocations were not released due to Islamabad's alleged links with Afghan militants.

The request for military assistance also makes clear that the implementation of FY 2019 FMF resources is "contingent on Pakistan taking appropriate action to expand cooperation in areas where interests converge and to address areas of national divergence, in line with the Administration's South Asia strategy".

A Jan 4 order suspended most security aid to Islamabad, but the State Department says that the proposed military assistance will "advance US national security interests by supporting Pakistan's capacity to improve stability and security and fight terrorism".

The proposed assistance will also encourage Pakistan to "eliminate safe havens for terrorist and militant organisations" and will encourage it to "continue efforts to build the counterterrorism and counterinsurgency capabilities of its security forces", it adds.

The State Department argues that these capabilities are "needed to improve security in tribal areas along the border with Afghanistan".

The proposed military assistance will also "help to achieve progress on joint US-Pakistan objectives, particularly bilateral efforts to confront the threat of terrorist networks, including core Al Qaeda and ISIS-Khorasan Province," the department adds.

The funds will also “improve Pakistan’s ability to participate in US-led Coalition Maritime Forces and patrol its maritime borders to stem the flow of illicit materials and personnel”, the State Department explains.

The largest unconditional budget requests are from the Economic Support Fund & Economic Support and Development Fund, which has been used to provide annual aid of \$200 million since 2017. The amount remains unchanged in 2019 as well. These funds are not affected by the suspension order.

The request for military assistance is in line with a recent State Department announcement that security assistance can resume immediately if Islamabad agrees to work with the US for defeating the Afghan Taliban.

There is also a separate request of \$3.5 million from the International Military Education and Training (MET) funds, which are, apparently, not affected by the suspension.

The justification says that IMET programmes focus on “professionalising the defence forces of regional partners, emphasising professional military education and respect for the rule of law, human rights and civilian control of the military. Priority recipients include Bangladesh, India and Pakistan.

The State Department is also seeking \$67 million for Pakistan from the Global Threat Reduction Programme.

Other requests for Pakistan include \$25 million from the International Narcotics Control and Law Enforcement Fund. In 2017, Pakistan received \$38 million from this fund.

From the Global Health Programmes Fund, US Agency for International Development (USAID) is seeking \$22.5 million for Pakistan for the next fiscal year.

The 2019 budget proposals call for slashing the State Department and USAID funding by around 25 per cent, from around \$53.1 billion to \$39.3 billion.

There’s also a 44 per cent decrease in the US contribution to United Nations peacekeeping missions. The administration also eliminates a \$1.6 billion aid programme that provides food for some of the poorest.

Funds for promoting democracy are also slashed by 40 per cent while the Global Climate Change Initiative, which got \$160 million last year, receives no funds in 2019.

The US Congress, however, is unlikely to approve the proposed cuts.

<https://www.dawn.com/news/1389289/military-aid-to-pakistan-will-help-defeat-is-al-qaeda-us>

PAKISTAN TURNS DOWN CHEAPER LOAN OFFER FROM JAPAN

The Express Tribune, February 18th, 2018.

Pakistan has turned down a loan offer from Japan for infrastructure projects at cheaper rates compared to Chinese lending for the economic corridor, arguing the country’s loan portfolio has already gone up sharply and it needs no more credit for such projects.

Talking to The Express Tribune, a senior government official revealed that the Japanese government had earlier approached Pakistan with interest in joining the \$57-billion China-Pakistan Economic Corridor (CPEC).

Japan wanted to pour capital into a tunnel being built as part of CPEC, but China resisted the move, leading Pakistan to refuse the offer.

Later, Japan came up with an offer of cheap loans for building infrastructure projects in Pakistan. Japan was seeking to provide credit at rates lower than those being charged by China on its loans for CPEC projects.

At present, China is extending loans to Pakistan at London Interbank Offered Rate (Libor) plus 2-2.5%. This time too, according to the government official, Pakistan declined to accept the Japanese offer and asked it to invest in the country rather than providing cheaper credit.

“The government has decided it will not seek any more loans for infrastructure projects, instead the country will encourage investment from different countries,” he said.

Though many countries have expressed the desire to join CPEC, but nobody has so far been able to be part of this Chinese initiative.

Under CPEC, Pakistan and China have been developing scores of power projects that are expected to inject over 10,000 megawatts this year into Pakistan’s power system which currently produces around 17,000MW.

Pakistan has invited Japanese companies and investors to explore the option of investing in the \$4-billion electricity distribution market with particular focus on modern technological solutions for service delivery to consumers. Since the demand and supply gap will be bridged with the completion of new power projects, the emphasis is fast shifting towards electricity supply to end-consumers with service delivery of international standards.

The government is looking to engage the private sector for better service delivery. As the power distribution network and associated gadgets could not catch up with technological advancements and state-owned distribution companies could not find enough investments, opportunities have grown for public-private partnerships in the area. In this regard, the government is considering attractive incentives including a high rate of return on investments.

While appreciating the existing cooperation with Japan, especially in the power sector, the government is also seeking Japanese assistance in building capacity of human resources at different levels in the power sector.

In this regard, the Power Division has been directed to work in close liaison with the Japanese embassy.

<https://tribune.com.pk/story/1637886/2-pakistan-turns-cheaper-loan-offer-japan/>

NEWS COVERAGE PERIOD FROM FEBRUARY 5TH TO FEBRUARY 11TH 2018

BILL TO END US AID TO PAKISTAN MOVED IN HOUSE OF REPRESENTATIVES TOO Dawn, February 7th, 2018

Anwar Iqbal

WASHINGTON: The US House of Representatives joined the Senate on Tuesday in seeking to end US economic aid to Pakistan while the Trump administration has already suspended military aid.

A bill introduced in the House said that non-defence aid to Pakistan should also end and the money set aside for this purpose should be invested in infrastructure projects in the United States.

The movers say they are seeking the ban because Pakistan “provides military aid and intelligence” to terrorists, a charge Islamabad strongly denies. Pakistani officials say that the US administration blames their country to hide their failure in Afghanistan where they have failed to subdue an ever-increasing insurgency.

The legislation, introduced by Congressmen Mark Sanford from South Carolina and Thomas Massie from Kentucky, seeks to prohibit the US State Department and the US Agency for International Development (USAID) from sending American taxpayer money to Pakistan.

Instead, these funds will be redirected to the Highway Trust Fund, the account that pays for road infrastructure in the US.

This common-sense bill puts America first by reallocating tax dollars to roads and bridges at home instead of funnelling money overseas, Congressman Massie said.

“When the American people support other nations, our generosity shouldn’t be used to reward terrorists with US taxpayer dollars,” Congressman Sanford added.

“Couple this with the fact that the Highway Trust Fund will be \$111 billion short by 2026, and it simply makes financial sense to repurpose these funds for our infrastructure,” he said.

The move to stop US economic assistance to Pakistan initiated in the Senate where Senator Rand Paul introduced a companion legislation early last month.

“We fail to protect the country and steward taxpayers’ hard-earned money when we support countries that chant ‘death to America and burn our flag’,” he argued.

“Let’s bring that money home and use it to help rebuild our infrastructure instead of giving it to a nation that persecutes Christians and imprisons people such as the doctor that helped us get Osama bin Laden,” Senator Paul said.

The current debate in Congress on the rationale for continuing US assistance to Pakistan followed a New Year Day tweet from President Donald Trump, who accused the country of receiving more than \$33 billion in 15 years but giving “nothing but lies and deceit” in return.

Four days after the tweet, he suspended US security aid to Pakistan, hoping that it would force Islamabad to support his strategy for defeating the Taliban.

<https://www.dawn.com/news/1387821>

April 2018

NEWS COVERAGE PERIOD FROM APRIL 23 RD TO APRIL 29TH 2018

\$4M UNDP PROJECT HELPS REHABILITATE 2010 FLOOD AFFECTEES

The Express Tribune, 24 April 2018

With generous funding from China, the United Nations Development Programme (UNDP) project of \$4 million has helped rehabilitate people of Balochistan and Federally Administered Tribal Areas (Fata) affected by the 2010 floods.

This was disclosed during the UNDP and the World Food Programme's (WFP) closing ceremony of the Pakistan-China Recovery Initiative for the crisis-affected population of Balochistan and Fata on Monday.

A ground-breaking collaboration between the United Nations, the Chinese government and the government of Pakistan helped the people affected by natural disasters and displacement in Balochistan and Fata.

Chinese Deputy Head of Mission to Pakistan Lijian Zhao said, "The South-South Cooperation Fund is set up by the Chinese government to shoulder its international responsibility, as a special fund dedicated to helping developing countries pursue sustainable development goals."

Zhao said, "The successful implementation of the project marks the entering of China South-South Fund in Pakistan. It is highly appreciated that the Pakistan government has given a strong support to South-South cooperation and I am very impressed by the high sense of responsibility, rich experience and professional competence of UN agencies."

The UNDP project provided new furniture and education kits to 19,000 school children in 423 schools in Balochistan's Naseerabad, Jafferabad and Sohbatpur districts, which were worst affected by the 2010 floods.

The project has also benefited 80,269 people and 8,100 temporarily displaced families of Kurram, South Waziristan, North Waziristan, Khyber and Orakzai agencies in Fata.

In its first-ever contribution to WFP in Pakistan, China provided \$1 million to enable the WFP food assistance for 158,000 people in Peshawar, Dera Ismail Khan, Tank and Bannu districts of K-P, in addition to North Waziristan, South Waziristan, Khyber, Kurram, Mohmand and Orakzai agencies in Fata.

UN Pakistan Resident Coordinator Neil Buhne said, "This partnership is an impressive example of how the United Nations agencies can work as 'One UN', bringing together their unique strengths to provide the right assistance to the right people at the right time."

He further said, "Such partnerships break from the traditional model of overseas development assistance, where donors provide grants and loans to developing countries. Instead, countries from the Global South are helping each other along the path towards sustainable development."

WFP Acting Country Representative Katrien Ghoois said, “Families who have been affected by displacement and insecurity in recent years are vulnerable to food insecurity. They often lack the resources to access nutritious foods. This has impact on every aspect of life, from health and education to work and well-being. China is an increasingly significant global player and a vital donor to WFP operations. WFP is pleased to partner with our new donor in Pakistan in support of our efforts to achieve food and nutrition security.”

UNDP Pakistan Country Director Ignacio Artaza said, “The challenges that Balochistan and Fata communities face require new partnerships and coordinated action. Our collaboration with China and Pakistani authorities is an example of how countries from the Global South can share their strengths and act as partners as they progress towards sustainable development.”

The project was implemented in partnership with the Departments of Education and Planning and Development, Balochistan government and Fata Disaster Management Authority, Fata Secretariat.

<https://tribune.com.pk/story/1693482/1-4m-undp-project-helps-rehabilitate-2010-flood-affectedees/>

NEWS COVERAGE PERIOD FROM APRIL 1ST TO APRIL 8TH 2018

JICA AND UNICEF TO SUPPORT NON-FORMAL EDUCATION PROJECT IN SINDH

The Express Tribune, 4 April, 2018

The Japanese government will provide a grant of \$1.1 million (Rs127.3 million) to the United Nations Children’s Fund (Unicef) to support a non-formal education project, which will provide high quality alternative education to out-of-school children in Sindh.

This was announced by Schools Education Secretary Dr Iqbal Hussain Durrani at the project’s launch ceremony. According to the project, 150 non-formal education (NFE) centres will be established to provide access to high quality alternative education to 4,500 children, including 2,500 females, in Ghotki and Khairpur districts.

These NFE centres will be established by Unicef in collaboration with the Japan International Cooperation Agency (Jica) and will be governed by the directorate of literacy and non-formal education under the education department.

Through the initiative, 150 NFE teachers, including at least 90 females, will be trained through a child-centred interactive teaching methodology to deliver high quality NFE content for the learning of students.

The project aims to include community involvement to teach out-of school children. For this, village education committees will be formed that will comprise 20 community members, of whom at least 60% will be women. The committee members will be trained to support the effective functioning of the NFE centres.

According to the schools education secretary, non-formal education was among four priorities of the school education department for the next 10 years. Dr Durrani appreciated Unicef for partnering in the project. He also thanked Jica for its participation in various education projects, including the NFE centres and construction of 52 state-of-the-art schools in various districts of the province.

Speaking at the ceremony, the Japanese consul-general said education played a critical role not only for the development of an individual, but also for the overall economic development of a nation. He added that Japan would continue to support education in Pakistan.

Jica has been consistently prioritising non-formal education in its ongoing technical assistance to Pakistan since 2004, a Jica representative said, adding that the agency was implementing the Advancing Quality Alternative Learning (AQAL) project that aimed to strengthen non-formal education in Sindh. Jica expects the Sindh government to expand non-formal education as a strategy to ensure the right to education to out-of-school children under Article 25-A of the Constitution.

By supporting the Sindh education department, Unicef aims to strengthen equitable access of high quality education to boys and girls in Sindh. Non-formal education is an appropriate educational model to provide access of education to boys and girls who are over-aged, dropouts and labourers, and who live in underprivileged regions.

<https://tribune.com.pk/story/1676797/1-jica-unicef-support-non-formal-education-project-sindh/>

July 2018

NEWS COVERAGE PERIOD FROM JULY 16TH TO JULY 22ND 2018

USAID to extend Rs 158 million for Sindh health project

TANVEER AHMED | JUL 17TH, 2018 | KARACHI

The USAID will extend foreign grant of almost Rs 158 million in Strengthening of Monitoring & Surveillance of Health Services Project in Sindh. According to the working paper of the project available with Business Recorder, the total cost of the project is Rs 281 million. Sindh government would put in Rs 123.235 million in the project.

According to the document, PC-1 of the project envisages to strengthen use of data to inform public health planning in Sindh Province with the overarching goal to improve reproductive, maternal, newborn child and adolescent health outcomes.

The project will develop effective province-wide monitoring capabilities and strengthen the Monitoring & Evaluation Section of Directorate General Health Sindh for strategic planning and resource allocation at the provincial and district levels.

Also, improved policy coordination and formulation with the federal level, strengthen disease surveillance increased coverage and improved quality of health services is the objective of the project.

Scope of the PC-1 includes establishing (i) M&E Directorate within Directorate General Health Services, Hyderabad, to provide critical M&E needs and strengthen M&E function of DOH; (ii) Health Information Management Cell to provide critical policy advice and steer reforms necessary for improving health outcomes; and (iii) Knowledge Management Unit within the scope of Provincial Health Development Center (PHDC) to aggregate public health and health systems research and evaluation, analysis and synthesis of research in priority areas. The plan framework of the project identifies lack of adequate health governance and paucity of trained and specialized health care services providers for congested populated areas of the country and focuses on meeting the increasing

demand for health care services monitoring & evaluation and to improve access to the healthcare services by providing facilities at doorstep.

<http://fp.brecorder.com/2018/07/20180717391468/>

NEWS COVERAGE PERIOD FROM JUNE 25TH TO JULY 1ST 2018

USAID-sponsored school opens in Larkana

RECORDER REPORT | JUN 29TH, 2018 | KARACHI

United States Agency for International Development (USAID) Deputy Mission Director for Sindh and Balochistan John Smith-Sreen and Interim Sindh Education Minister, Dr Saadia Rizvi inaugurated a recently completed school constructed with the support of USAID.

Local notables, community elders, teachers, students, and parents were also present. This new building for Government High School Vikya Sangi, Larkana, was constructed with the support of the US government through the \$155 million USAID Sindh Basic Education Program (SBEP), in partnership with the Government of Sindh.

Smith-Sreen emphasized that the US government is proud to partner with the government of Sindh in the joint initiative of promoting education for all. He said, “We, along with our partners from the School Education and Literacy Department, focus on improving the quality and accessibility of education. The Sindh Basic Education Program is helping to improve the quality of teaching and increase access to safe learning opportunities for children, especially for girls.”

Interim Sindh Education Minister, Dr Saadia Rizvi, expressed appreciation for USAID SBEP and the U.S. government’s strong support in modernizing education in Sindh.-PR

<https://fp.brecorder.com/2018/06/20180629385686/>

September 2018

***NEWS COVERAGE PERIOD FROM SEPTEMBER 24TH TO SEPTEMBER 30TH
2018***

USAID OFFERS TO LAUNCH IHSS-DS PROGRAMME IN PUNJAB

RECORDER REPORT SEP 26TH, 2018 LAHORE

USAID, an international welfare program under the US government has offered to launch ‘Integrated Health Systems and Service Delivery Program (IHSS-DS)’ in Punjab for strengthening of health sector. In this regard, a delegation of USAID led by its country representative Dr. Nabeela Ali called on secretary health Punjab Saqib Zafar, here Tuesday. “The USAID’s IHSS-DS Activity plans to work in the provinces of Punjab, Sindh and Khyber Pakhtunkhwa for strengthening health systems and in selected districts for improving services delivery” Dr. Nabeela said.

She further stated that USAID and John Snow International (JSI) Research Center would like to explore the possibility of working in Punjab at both provincial and selected districts in Southern Punjab. “Monitoring and Evaluation (M&E) Cells will be established in the selected District Health Offices to input performance data and in the Director General Health Services office” she said. The provincial M&E Cell will provide technical support in use of information from M&E Dashboard, such as coverage offered through providers and facilities, staff performance and related issues.

“IHSS-DS proposes to provide technical assistance to Punjab health department to design a Monitoring and supervisory system for service delivery from the district or provincial level” said Dr. Nabeela. The secretary health while welcoming USAID program said the Punjab government was taking every possible step to promote health facilities across the province. “Nothing better than provision of better health facilities to common man at doorstep” said Saqib Zafar.

<https://fp.brecorder.com/2018/09/20180926410450/>

NEWS COVERAGE PERIOD FROM SEPTEMBER 17TH TO SEPTEMBER 23TH 2018 PAKISTAN REMAINS UNDECIDED ON CANCELLING \$400M LOAN FROM ADB By Shahbaz Rana

Published: September 21, 2018

ISLAMABAD: With only nine months left in closing of the project, Pakistan has not yet taken a final decision on the cancellation of a \$400 million loan, which the Asian Development Bank (ADB) has extended for installation of smart electricity meters, due to divergent views of the concerned ministries.

The Power Division – the executing agency for the advanced metering infrastructure (AMI) scheme, wanted cancellation of the loan. But the Economic Affairs Division (EAD) – the window to deal with the foreign lenders, has sought a review of the decision, said officials in the EAD. The EAD has now sought interventions of the new government to resolve the issue.

The EAD has revived the matter days before a visit of ADB Vice President Wencai Zhang to Pakistan. Zhang would visit Pakistan early next month and revival of the \$400 million project is part of his agenda, said the officials.

The EAD wanted to hold a meeting with all stakeholders before the vice president’s visit. It hopes that with the change of administration the Power Division could also review its earlier stance, the officials informed.

The \$400 million loan is part of the overall \$5 billion package for replacing manual electricity meters with advanced ones in only those power distribution companies where it is economically and financially viable.

The ADB had approved the loan in November 2015 and as of end March this year there was no physical and financial progress on the project, according to the ADB’s documents. Pakistan has been paying commitment charges on the undisbursed amount.

The original closing date of the project is June next year. The \$400 million loan is part of the multi finance facility for the power distribution sector. The EAD has expressed concerns that the decision to cancel the loan may also affect future lending to Pakistan's dilapidated power distribution sector.

The stated objectives of the loan are reducing distribution losses and improving revenue collection, enhancing load control and load management, providing automated consumption data collection of all customers, and modernising the electricity metering and billing system.

ADB's latest assessment report on the project showed that the Power Division has put on hold the tendering process initiated for installation of meters in Islamabad Electricity Supply Company (Iesco) and Lahore Electricity Supply Company (Lesco). The Iesco had initiated its invitation for bids in July 2017, with bid submission deadline of January 11, 2018 but the tender was cancelled by the Power Division on January 9, this year, it added.

The report stated that the recruitment process has also been put on hold by Power Division for both Iesco and Lesco's Project Implementation Consultant's (PIC) contracts.

The ADB is pushing the project on the premise that the pre-paid electricity meters will control the flow of electricity and ensure 100% collection of bills.

The main goal of the project was installation of two million smart meters and communication equipment in these two power distribution companies by 2019. About 800,000 meters were to be installed in the jurisdiction of Iesco and 1.2 million in Lesco.

But these meters are planned to be installed in jurisdictions where the theft is already negligible.

Pakistan was not ready to contract the loan due to its differences over the use of imported technology and the plan to privatise all power distribution companies under the \$6.2-billion International Monetary Fund (IMF) programme.

Later on, the boards of both the power distribution companies also showed their concerns over high cost of the project and imported technology. Although Pakistan has signed the loan at relatively compatible rates, the federal government re-lends its loans to the public sector enterprises at around 12% interest rates.

The Planning Commission was also against signing of the \$400 million loan. The country eventually signed the deal about three years ago after the Manila-based lender informally linked its programme lending with the smart meter project, the sources said.

Published in The Express Tribune, September 21st, 2018.

<https://tribune.com.pk/story/1808324/2-pakistan-remains-undecided-cancelling-400m-loan-adb/>

NEWS COVERAGE PERIOD FROM AUGUST 10TH TO SEPTEMBER 16TH 2018
USAID LAUNCHES AMBASSADOR'S FUND GRANT PROGRAMME
RECORDER REPORT SEP 14TH, 2018 ISLAMABAD

The US Agency for International Development (USAID) publically launched the next round of the Ambassador's Fund Grant Programme with a ceremony announcing the first eleven grant recipients. During the current five-year cycle, running from 2017-2022, this programme will award approximately 200 grants in support of high impact efforts by Pakistani organizations working to improve the economic and social conditions of the people of Pakistan.

Chargé d'Affaires of the US Embassy, John Hoover, told those gathered for the event that, "This program helps people address local problems by implementing indigenous solutions that will have immediate and long-lasting impact," said a press release issued here.

The Ambassador's Fund Programme supports initiatives focused on priority areas identified by the United States Ambassador to Pakistan. During the current program grant cycle, USAID will support initiatives focused on promoting culture & the arts, improving disaster preparedness, developing small-scale energy solutions, encouraging social entrepreneurship, and empowering vulnerable populations. Private sector organizations, non-governmental organizations and non-government academic research and training institutions, including those led by women and those working in the regions of Azad Jammu and Kashmir and Gilgit-Baltistan-are eligible to apply. The program is managed by the Trust for Democratic Education and Accountability.

During the previous grant cycle, the programme awarded 238 grants benefiting more than 1 million Pakistanis.

<https://fp.brecorder.com/2018/09/20180914407639/>

NEWS COVERAGE PERIOD FROM AUGUST 27TH TO SEPTEMBER 2TH 2018

PENTAGON CANCELS \$300M AID TO PAKISTAN

Reuters September 02, 2018

WASHINGTON: The US military said it has made a final decision to cancel \$300 million in aid to Pakistan that had been suspended over Islamabad's perceived failure to take decisive action against militants.

The so-called Coalition Support Funds (CSF) were part of a broader suspension in aid to Pakistan announced by President Donald Trump at the start of the year, when he had accused Pakistan of rewarding past assistance with "nothing but lies & deceit". The Trump administration says Islamabad is granting safe haven to insurgents who are waging a war in Afghanistan, a charge Pakistan denies.

US defence secretary Jim Mattis had an opportunity to authorise \$300 million in CSF if he saw concrete Pakistani actions to go after insurgents. Mattis chose not to, a US official told Reuters.

"Due to a lack of Pakistani decisive actions in support of the South Asia Strategy, the remaining \$300 [million] was reprogrammed," said Pentagon spokesman lieutenant colonel Kone Faulkner. He said the Pentagon aimed to spend the \$300 million on "other urgent priorities" if approved by Congress.

He said another \$500 million in CSF had been stripped from Pakistan by Congress earlier this year, bringing the total withheld fund to \$800 million.

The disclosure came ahead of an expected visit by US Secretary of State Mike Pompeo and the top US military officer, General Joseph Dunford, to Islamabad.
Published in Dawn, September 2nd, 2018

<https://www.dawn.com/news/1430471/pentagon-cancels-300m-aid-to-pakistan>

October 2018

NEWS COVERAGE PERIOD FROM OCTOBER 22TH TO OCTOBER 28TH 2018

SAUDI ARABIA PLEDGES \$6BN PACKAGE TO PAKISTAN

Baqir Sajjad Syed Updated October 24, 2018

Agreement for setting up of oil refinery near Gwadar may be signed after cabinet approval
Speaking at investment conference, PM Imran vows to hold peace talks with India

ISLAMABAD: After weeks of speculation, Saudi Arabia on Tuesday stepped forward with a \$6 billion bailout package for Pakistan's ailing economy.

The package includes \$3bn balance of payments support and another \$3bn in deferred payments on oil imports.

Agreements in this regard were signed on the sidelines of the second edition of the annual Future Investment Initiative (FII) Conference in Riyadh. It showcases economic and investment opportunities in Saudi Arabia as it pursues Vision 2030 for diversifying its economy. The Pakistani delegation was led by Prime Minister Imran Khan.

This was the prime minister's second visit to Saudi Arabia in five weeks. The primary objective of both trips was to seek financial assistance to deal with impending balance of payments crisis.

The Foreign Office in a statement said: "A MoU was signed between the Finance Minister Asad Umar and the Saudi Finance Minister Muhammad Abdullah Al-Jadaan. It was agreed Saudi Arabia will place a deposit of USD 3 Billion for a period of one year as balance of payment support."

It was further "agreed that a one year deferred payment facility for import of oil, up to USD 3 Billion, will be provided by Saudi Arabia. This arrangement will be in place for three years, which will be reviewed thereafter".

Pakistan imports 110,000 barrels of crude per day from Saudi Arabia. Taken at the current price, the oil imports from the kingdom amount to around \$3bn in a year.

Pakistan, which is facing the current account deficit of \$18bn, had earlier this month sought assistance from the International Monetary Fund (IMF) to deal with the aggravating balance of payments problem. An IMF mission is scheduled to visit Islamabad on Nov 7 for talks on the size of the loan facility that Pakistan could be requiring.

Imran Khan had in an interaction with the media recently said that the country could immediately need around \$12bn to address with the problem.

Saudi Arabia has in the past also helped rescue Pakistan's economy from dire situations on a number of occasions. The Kingdom had last time in 2014 gifted Pakistan \$1.5bn to beef up its foreign exchange reserves.

The Saudi package may provide breathing space to the government for dealing with economic challenges, but would not be enough to avoid the IMF facility. It is believed that improved foreign exchange reserves would strengthen Pakistan's negotiating position in talks with the Fund.

The situation could further improve if China also makes some commitments to rescue its 'all-weather friend'. PM Khan is scheduled to travel to China on Nov 3.

During talks with Mr Khan, the Saudi government reaffirmed its interest in setting up an oil refinery in Pakistan. Talks on setting up of the refinery had started during the prime minister's visit to the Kingdom last month. Later a Saudi delegation visited Pakistan for studying the prospects of the project.

"Saudi Arabia confirmed its interest in this project, and a MoU will be signed after obtaining cabinet approval," the Foreign Office said.

An agreement for setting up of refinery near Gwadar is expected to be inked between the Pakistan State Oil and Saudi Aramco soon.

Speaking at the FII Conference, the prime minister while identifying lucrative investment opportunities in the tourism sector, minerals, coal and gas exploration, and Information Technology said Pakistan needed two oil refineries to meet demand.

Saudi officials and businessmen during their meetings with Mr Khan showed interest in mineral resources development. The prime minister pointed out the presence of vast reserves of untapped mineral wealth of Pakistan. He said the reserves could not be exploited in the past due to terrorism and corruption, but things were changing now.

A Saudi delegation would be invited to visit Pakistan for an exploratory trip after consultations between the federal and provincial government of Balochistan, the FO said.

Mr Khan held bilateral discussions with King Salman bin Abdul Aziz and Crown Prince Mohammad bin Salman.

The crown prince, the FO said, accepted Mr Khan's suggestion for reduction of visa fee for Pakistani workers. It described the decision as "a significant step towards enhancing Pakistan's workforce in Saudi Arabia, as well as facilitating travel of people from both countries".

Mr Khan in his speech at the FII Conference said that his government would once again offer peace talks to India after the coming elections in the neighbouring country.

"Now what we are hoping is that we wait until the elections then again we will resume our peace talks with India," he said as he recalled that he had soon after coming to power offered dialogue to India. He said Pakistan's offer was then rebuffed.

India had last month cancelled a meeting of the foreign ministers of the two countries on the margins of UN General Assembly session barely 24 hours after agreeing to it.

Published in Dawn, October 24th, 2018

<https://www.dawn.com/news/1440974/saudi-arabia-pledges-6bn-package-to-pakistan>

PAKISTAN SEEKS \$6 BILLION FROM UAE

By Shahbaz Rana

Published: October 27, 2018

ISLAMABAD: Pakistan has sought \$6 billion financial assistance package from the United Arab Emirates (UAE) in the shape of cash deposits and oil on deferred payments in an attempt to meet all its financing needs for the current fiscal year with the help of friendly countries.

“In case of an agreement, Prime Minister Imran Khan may fly to the Emirates after the upcoming visit of China,” highly placed government sources told The Express Tribune on Friday.

They said both the sides have covered significant ground during the ministerial-level talks held at the Prime Minister’s Office.

The UAE delegation was led by its Minister of State and Chief Executive Officer of Abu Dhabi National Oil Company Dr Sultan Aljaber.

The delegation visited Pakistan on the specific directions of the UAE Crown Prince Sheikh Mohamed bin Zayed Al-Nahyan with whom the prime minister met on September 19 in Abu Dhabi and agreed to strengthen economic, trade and investment relations.

“The UAE is a very dear friend and has always helped Pakistan,” said Minister for Information and Broadcasting Fawad Chaudhry while talking to The Express Tribune.

He did not divulge the details of the possible assistance package but said both the countries have had fruitful discussions.

The UAE and Pakistan also agreed to resolve a decade-old dispute over \$800 million outstanding payments that Etisalat owed to Pakistan on account of privatisation dues of the Pakistan Telecommunication Limited (PTCL).

The financial assistance has been sought on the Saudi Arabian model. Last week, the kingdom agreed to place \$3 billion with the State Bank of Pakistan and \$3 billion worth oil on deferred payments facility.

The sources said Pakistan requested the UAE to place \$5 billion interest-free deposits with the central bank in addition to giving \$3 billion oil facility.

Minister for Foreign Affairs Shah Mehmood Qureshi, while addressing a news conference, also said Pakistan discussed with the UAE delegation the country’s requirement of oil on deferred payment in continuation of the recent agreement with Saudi Arabia.

“The import of petroleum products from the UAE is significantly higher than Saudi Arabia and we discussed various mechanisms that can provide maximum fiscal space to Pakistan,” said Qureshi.

Pakistan’s oil import is expected to peak to close to \$18 billion in the current fiscal year due to increase in crude oil prices in the international markets.

This has contributed in exponential increase in the country’s external financing needs, which has left a financing gap of \$12 billion.

Pakistan has already received from Saudi Arabia \$6 billion commitments and now wants to fill the remaining gap with the help of the UAE and China.

The anticipated relief package from the UAE would strengthen Pakistan’s negotiating position during the upcoming talks with the International Monetary Fund (IMF).

Pakistan still needs the IMF umbrella to secure loans from the international creditors and floating Eurobonds at relatively competitive rates.

In his news conference, Qureshi said Pakistan and the UAE have agreed to enhance bilateral relations, including trade and investment, for the mutual benefit of the two countries.

He said the visiting high-level UAE delegation showed interest in investing in different sectors of Pakistan.

He said the UAE delegation also included representatives of Emaar, the UAE’s leading housing company. The minister said the Pakistani side talked about increasing exports of rice, fruit and vegetables to the Gulf state. Joint collaboration in food processing industries was also discussed, he added.

“We want to benefit from the UAE’s immense experience in water desalination sector,” he said, adding that the delegation also expressed interest in setting up a state of the art LNG terminal in Pakistan.

Etisalat CEO meets Umar

Etisalat Group Chief Operating Officer Abdul Raheem Al Nooryani met Finance Minister Asad Umar, who urged Al Nooryani to give time bound commitments to address the longstanding issue. In return, the Etisalat delegation demanded Pakistan to restore Technical Services Agreement payments that Pakistan suspended few years ago in retaliation of non-payments of \$800 million. The Etisalat has withheld payments on the pretext that Islamabad did not transfer all the PTCL properties.

But Pakistan served a second shortfall notice to Etisalat in September 2015, informing the company that it cannot transfer the remaining 33 properties and that it would have to pay the outstanding dues by adjusting the value of these properties.

According to Pakistan’s assessment, the value of these properties was not more than \$88 million. But according to the agreement, the highest value determined by any of the two parties will be the final price of the properties.

In July 2005, Etisalat had bought 26% shares in the PTCL with management control at a price of \$2.6 billion. After coming to know the second lowest bid was actually \$1.4 billion, the UAE-based firm tried to backtrack from the offer.

Then privatisation minister Abdul Hafeez Shaikh lured the company by offering it to make an initial payment of \$1.4 billion and the remaining amount in nine installments until September 2010. Moreover, he committed to transferring the properties owned by PTCL to Etisalat.

<https://tribune.com.pk/story/1834906/2-saudi-assistance-pakistan-seeks-6-billion-uae/>

NEWS COVERAGE PERIOD FROM OCTOBER 15TH TO OCTOBER 21TH 2018

HEALTH DEPT LIKELY TO GET \$4M FROM DFID

Ashfaq Yusufzai October 21, 2018

PESHAWAR: The Khyber Pakhtunkhwa health department is likely to get over four million dollars (3.2 million pounds sterling) from the UK Department for International Development (DFID) after producing the first draft of the health policy by Nov 30.

The DFID had approved over 40 million pounds sterling worth of grant to support KP's health department with a focus on the integrated health services for which installments were issued on the basis of the meeting of set indicators.

The aid was linked to the performance for which the health department had to fulfil the Disbursement Link Indicators set by the development partner organisation.

Finalising draft health policy

A tranche of two to three million pounds sterling was released to the department in installments following visits by the officials for assessing the situation regarding their conditionalities. The releases were subject to the meeting of indicators under which the health was to meet targets like improving indicators in other child health or recruiting more technicians to strengthen immunisation.

However, the DFID withheld 3.2 million pounds sterling due to the health department's inability to meet the indicators, which badly affected the four departments devolved from the federal government to KP after 18 Constitutional Amendment after which every unit of the federation was asked to run the mother child programme, Expanded Programme on Immunisation, nutrition and lady health workers programme from own resources.

The health department, which is currently busy formulating the draft of the health policy with the DFID's technical assistance is likely to submit the document by Nov 1 to stand eligible to get the withheld amount, which will be distributed among the programmes concerned, officials told Dawn.

They said the policy, first to be made by any province, would set a direction for the health department to meet the targets through putting in place strategies and mechanism for evaluations from time to time.

The officials said the international development partners were very keen to help the government have a health policy aiming to improve the patients' care, medical practice and education.

They said the province had devised a seven-year health sector strategy in 2010, which was instrumental in making some achievements.

The officials said the policy would be a comprehensive approach towards tackling the expanding public and private sector activities both on clinical and academic sides in line with the government's vision.

They said the draft policy would be sent to the government for examination by the leaders of the ruling PTI before being sent to the cabinet for approval.

The officials said the draft policy, part of the government's 100-day plan, was being formulated with the support of international organisations, whose representatives were holding meetings in the Health Sector's Reforms Unit to come up with the document by the due date to regain the amount held back by the DIFID.

They said the money to be received would also provide relief to some employees of four programmes, who hadn't been paid for several months.

The officials said the centre was helping KP drafting the health policy, while the other development partners were willing to cooperate with the health department for its implantation.

Published in Dawn, October 21st, 2018

<https://www.dawn.com/news/1440284/health-dept-likely-to-get-4m-from-dfid>

November 2018

NEWS COVERAGE PERIOD FROM NOVEMBER 19TH TO NOVEMBER 25TH 2018

COUNTRY RECEIVES FIRST SAUDI TRANCHE OF \$1BN

RIZWAN BHATTI

KARACHI: Pakistan on Monday received the much-awaited first tranche of one billion dollar from Saudi Arabia for balance of payment support.

The country is facing a balance of payment crisis for the last few months due to massive current account deficit and higher external debt servicing, of which the foreign exchange reserves held by the State Bank of Pakistan's (SBP) reached below \$8 billion mark to \$7.4 billion end of the last week. In order to overcome this crisis, the PTI government was seeking financial support from friendly countries, including Saudi Arabia and China, to finance its external account and replenish the depleting foreign exchange reserves.

Last month Prime Minister Imran Khan visited Saudi Arabia to talk about the financial support and the kingdom agreed to provide a bailout package of worth \$6 billion. This package includes \$3 billion of financial support and another \$3 billion in shape of one-year deferred oil payment facility to ease the balance of payment pressure.

According to a Memorandum of Understanding (MoU) signed by Finance Minister Asad Umar and his Saudi counterpart Muhammad Abdullah Al-Jadaan, Saudi Arabia will deposit \$3 billion with Pakistan for a period of one year, besides worth \$3 billion oil on a one-year deferred payment.

Sources said that Saudi Arabia has released the first tranche worth \$1 billion of financial assistance under the agreed bailout package for balance of payment support and accordingly the amount has been transferred into the SBP's account on Monday.

“Yes, the State Bank of Pakistan has received one billion dollar from Saudi Arabia for balance of payment support,” Abid Qamar Chief Spokesman SBP confirmed.

Sources said that the remaining two billion dollars will be arrived in the next two months and will remain with Pakistan for next one year.

Although, the official statistics of foreign exchange reserves are not available, but as per estimates with arrival of these inflows from Saudi Arabia, State Bank’s total foreign exchange reserves are likely to reach above \$8 billion mark.

It may be mentioned here that Pakistan is also negotiating with the International Monetary Fund (IMF) for a possible loan package for balance of payment crisis. First round of talks (technical level) with IMF officials was held in second week of this month in Islamabad.

Initially, Pakistan was seeking a bailout package of \$12 billion from the IMF to overcome from this crisis, however with arrival of inflows from Saudi Arabia, Pakistan is most likely to ask the IMF for a \$6 to 8 billion lending, sources said.

The country’s current account deficit recorded highest ever \$17.994 billion (5.7 percent of GDP) at the end of last fiscal year (FY18) mainly due to exorbitant imports and slow foreign inflows. While, during the first four months (July-Oct) of this fiscal year (FY19) Pakistan current account deficit stood at \$4.8 billion, slightly down 2.5 percent.

<https://epaper.brecorder.com/m/2018/11/20/1-page/750283-news.html>

NEWS COVERAGE PERIOD FROM NOVEMBER 12TH TO NOVEMBER 18TH 2018
US SPENT \$113M IN PAKISTAN DURING 2018: REPORT
Anwar Iqbal Updated November 17, 2018

WASHINGTON: The United States spent \$113.3 million on key programmes and activities in Pakistan during 2018, says a US State Department report released on Friday.

The financial report for the fiscal year 2018 shows that between Oct 1, 2017 and Sept 30, 2018 the department spent \$8.7 billion on its principal activities.

Within the total, \$5bn supported ongoing programme operations and \$3.7bn went towards the Worldwide Security Protection programme to strengthen security for diplomatic personnel and facilities.

Major elements of this funding included \$958m to support operations of the US Mission in Iraq; \$858.3m for activities in Afghanistan; \$113.3m for key programmes and activities in Pakistan; and \$1.1bn for supporting operations in other areas of unrest, including high threat, high risk posts.

The report notes that the department also appropriated \$6.1bn for Foreign Military Funding (FMF), the majority of which is allocated to Israel, Egypt, Jordan, Pakistan and Iraq.

The department does not specify how much of it actually went to Pakistan but it does say that the US Defence Security Cooperation Agency supports Counterinsurgency Capability and Peacekeeping Operations programmes in the country.

The report also says that the department is comfortable with the Trump administration's decision to reintegrate office of the Special Representative for Afghanistan and Pakistan into the bureau for South and Central Asian affairs and, therefore, has not set aside separate funds for it.

The report shows that the restrictions the Trump administration introduced on defence and security cooperation with Pakistan in January this year has drastically slashed US assistance to the country, which once was as high as a billion dollars a year.

Published in Dawn, November 17th, 2018

<https://www.dawn.com/news/1446151/us-spent-113m-in-pakistan-during-2018-report>

\$1BN SAUDI ASSISTANCE TO REACH SBP TOMORROW, SAYS UMAR

Mubarak Zeb Khan Updated November 18, 2018

ISLAMABAD: Amid hopes of reaching an agreement with the International Monetary Fund (IMF) on a basic economic policy framework programme, Pakistan is likely to receive the first tranche of \$1 billion under the balance of payments support from the Kingdom of Saudi Arabia within the next couple of days, boosting the country's plummeting foreign currency reserves.

The money would hopefully reach the State Bank of Pakistan (SBP) by Monday, Finance Minister Asad Umar told Dawn in an exclusive talk. He said, "My Saudi Arabian counterpart has given me an assurance in this regard."

The second and third tranche will be received over the next two months.

Finance minister optimistic about reaching basic agreement with IMF by 20th

Last month Saudi Arabia had agreed to provide a \$6bn package to Pakistan to support its ailing economy. The package included \$3bn balance of payments support and another \$3bn in deferred payments on oil import.

Mr Umar said the facility of deferred payment on oil import would mature by next month. However, the finance minister, who sounded very confident that an immediate balance of payments crisis had been overcome with the help of bilateral assistance from Saudi Arabia and China, did not give any figure. "This will be an unprecedented help from China," the minister said, adding that he had committed not to disclose details before it was finalised. "I will not divulge the details at this moment," he reiterated.

He claimed that the only reason of going to the IMF was to accelerate the pace of economic growth and not to seek loan to fill any gap. He explained that he was not negotiating terms of a loan but of a 'broader economic reforms package'.

The available IMF funding quota for Pakistan is approximately \$6-6.5 billion.

The government had taken several steps including reduction in expenditures to bring drastic cut in the current account deficit. “We will reduce the current account deficit to \$12bn by the end of June 2019, almost \$7bn reduction,” the minister declared, explaining that this was the government target for the first year.

He said the IMF package would play a small part in filling the balance of payments gap directly though it would pave the way for getting loans from multilateral donors and commercial creditors.

Pakistan was negotiating the basic economic policy framework agreement with the IMF, he said. “This will be our basic achievement which we are hoping to reach by Nov 20,” he said, adding that details could be negotiated later.

He said there was no difference of opinion about putting economy on the right course with the IMF support. The only issues that could come up during the talks were related to ‘pace of adjustments’ and ‘pace of burden’.

“Our direction is very clear that we will place burden only on higher income individuals,” he said. It was common understanding that IMF would ask for more revenue to reduce fiscal deficit, reducing line losses in gas and power sector and increase it further, he said. But it would be the government decision whether to pass on the burden, he added.

“I will not hide behind IMF if I believe that certain measures are required to fix economic issues,” he said, claiming that both sides had already reached an agreement on basic facts and also exchanged the frameworks.

On Monday, the minister said that he would be in a better position to see whether there was a larger agreement or gaps still existed in the negotiations. He clarified that it would be the government decision how to reduce the fiscal deficit.

Mr Umar admitted that increase in revenue was one of the major areas of discussion. He made it clear that the shape and quantum of total additional revenue would be decided by the government and not the IMF.

About privatisation, he said Pakistan and IMF had no differences on structural reforms, as his government had identified seven companies for privatisation out of 50 to 60 state-owned enterprises placed on active privatisation list for many years. Even if LNG company was privatised, its cumulative impact would be more than the whole five years privatisation programme of the previous government, he claimed.

The placement of 50 to 60 companies on active privatisation plan was to make these entities redundant, he said, adding that the PTI government had already declared that strategic assets such as Pakistan Steel Mills, Pakistan Railways and Pakistan International Airlines would not be privatised but would be restructured on professional lines. He added that the government had given a 45-day ultimatum to the PSM management to come up with a comprehensive plan with regard to running the mills at its full capacity.

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<https://www.dawn.com/news/1446290/1bn-saudi-assistance-to-reach-sbp-tomorrow-says-umar>

NEWS COVERAGE PERIOD FROM OCTOBER 29TH TO NOVEMBER 4TH 2018

KARACHI NEEDS \$10B TO BUILD INFRASTRUCTURE

By Bilal Hussain

Published: November 1, 2018

KARACHI: Karachi needs around \$10 billion in financing over a period of 10 years to meet its infrastructure and service-delivery needs in urban transport, water supply and sanitation and municipal solid waste sectors, said World Bank's Senior Specialist in Finance, Competitiveness and Innovation Namoos Zaheer.

She stated this while speaking about issues faced by Karachi on the basis of the World Bank report "Transforming Karachi into a livable and competitive megacity: a city diagnostic and transformation strategy" – during her visit to the Karachi Chamber of Commerce and Industry (KCCI).

"There is a threat to livability in Karachi, which has been acting as the engine of growth," Zaheer said.

"Pakistan needs a growth rate of around 7-8% in order to create two million jobs for the youth entering the job market," she said, adding, "Karachi has to play the lead role, but unfortunately, the city has been neglected for a very long period of time."

She said the World Bank was funding several service-delivery projects in Karachi like the yellow line, water supply and urban management. There was a need to maximise financing for development by efficiently utilising the existing limited resources of the government, which would yield much greater results, she said.

There was also a need to mobilise the private sector to achieve the objective of maximising financing for development while the tax-to-gross domestic product (GDP) ratio should be at least 15% in order to enable the government to ensure availability of basic needs for the citizens, she added.

Karachi is the country's financial and economic hub, generating 12-15% of Pakistan's GDP, and is a manufacturing powerhouse in the country.

The World Bank asked the business and industrial community of Karachi that as the government held plenty of spare land, the business community could collaborate with the government and the land could be used to attract investment from the private sector, like setting up hotels to attract tourism.

Published in The Express Tribune, November 1st, 2018.

<https://tribune.com.pk/story/1838203/2-karachi-needs-10b-build-infrastructure/>

December 2018

NEWS COVERAGE PERIOD FROM NOVEMBER 3RD TO DECEMBER 9TH 2018

NO BOP SUPPORT: 15 BILLION YUAN LOANS BEING NEGOTIATED WITH CHINA

MUSHTAQ GHUMMAN | DEC 5TH, 2018 | ISLAMABAD

Pakistan is negotiating 15 billion yuan (approximately \$ 2 billion) commercial loans with China after the latter refused to extend Balance of Payment (BoP) support during the recent visit of Prime Minister Imran Khan, well-informed sources told Business Recorder.

A technical team of Finance Ministry and the State Bank of Pakistan (SBP) recently visited China and discussed different modalities of loans and interest rate but the agreement has yet to be signed due to differences on interest rate and conditionalities, the sources added. Pakistan had sought \$ 3 billion BoP support from China.

The Prime Minister has repeatedly stated that the package given by China is unprecedented whereas his Finance Minister, Asad Umar is on record saying that the balance of payment crisis is over, after the visit of the Prime Minister-led delegation to Saudi Arabia and China. However, on ground situation is far different from claims of Pakistani authorities.

Soon after the Prime Minister's high level visit, a technical team comprising Governor State Bank Pakistan, Tariq Bajwa and Secretary Finance, Arif Khan held discussions with the Chinese authorities in Beijing but the outcome of those negotiations remained fruitless. The meeting reportedly concluded in just 30 minutes with the Chinese official's attitude "not friendly".

An official on condition of anonymity told this scribe that "discussions are ongoing and progress is being made."

Another official said that there is zero progress on market access with China which implies that there is no hope in the near future.

The sources said, Saudi Arabia has extended deferred oil facility for three years but UAE has not yet responded to Pakistan's request of oil supply on deferred payment. Pakistan had sought similar facility from UAE as was extended by Saudi Arabia.

Another official told Business Recorder that the IMF Mission is expected to visit Pakistan mid of next month to finalise \$ 8 billion program. The Mission is regularly exchanging communication with the Ministry of Finance.

The official further stated that the Fund's Mission would hold three rounds for a new program, of which two have already been undertaken. The Mission also got briefings individually from the concerned ministries and organisations

He acknowledged that the Mission has sought further clarifications from the GoP on revenue yield initiatives, real time exchange rate, privatisation and curtailment of current expenditure.

The sources said, the IMF was satisfied with the performance of the power sector as its revenue has increased by Rs 13 billion within four months due to a combination of reduction in losses and improvement in recovery.

<https://fp.brecorder.com/2018/12/20181205428569/>