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May 10, 1988

TO: See Distribution *[Handwritten initials]*
FROM: PPC/PB, Frank Kenefick/*L. Leduc* Linda LeDuc
SUBJECT: ANE FY 1988 /Action Plan Review - Pakistan

The attached subject advance document is for your use, as a member of the PPC working group, in identifying issues for the subject review. The PPC, ANE CDSS and Action Plan guidance cables were provided to you earlier. The reporting cable of last year's review, the FY 88 Action Plan guidance cable for Pakistan and other related cables are attached.

Schedule

The preparatory issues meetings and interagency meetings are scheduled as follows:

- PPC Working Group: Monday, May 16, 1988, 2:00-3:00 pm
Room 3676 New State
- ANE Issues Meeting: Monday, May 23, 1988
2:00-4:00 pm, 4440 NS
- Interagency Reviews: Wednesday, May 25, 1988
2:00-4:00 pm, 1408 NS

Issues

For the PPC working group meeting, please bring 5 copies of your draft issues for discussion. Please use the following format:

- Issue: (one or two sentences)
- Discussion: (one or two paragraphs)
- Options: (list possible recommendations for resolution of issue)

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The ANE issues meeting will concentrate on identification of significant strategy/policy/program issues. Resolution of issues will be left to the interagency review. ANE requests that one representative from each bureau attend these meetings. For purposes of this exercise, the PPC/PB ANE Coordinator will be that representative.

The final issues paper for the interagency review will be drafted by the ANE Bureau. PPC working group members may be called upon to draft text for the final issues paper and, in case of special problems, attend the interagency review.

Please call either of us on 647-9176 if you have questions.

Attachments:

1. Action Plan for FY 1988
2. USAID Domestic Resource Mobilization Program
3. Draft Energy Sector Strategy Paper
4. State 213021, Reporting Cable on FY 1987 Review
5. State 333250, Pakistan AP Guidance Cable for 1988
6. Islamabad 20166, Pakistan CDSS Update
7. State 062563, Pakistan Project Implementation Review
8. Islamabad 04429, Information on WID
9. State 343114, Pakistan Agricultural Sector Strategy Review
10. Islamabad 22370, Private Sector CIP Reviews
11. Islamabad 21618, Strategic Approach to National Integration Issues and Development of Lagging Areas in Pakistan

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SUBJECT: PAKISTAN CDSS/AP REVIEW

ANE BUREAU REVIEWED THE PAKISTAN CDSS AND ACTION PLAN DURING THE WEEK OF MAY 4, 1987, WITH DAA MORRIS CHAIRING AND THE MISSION REPRESENTED BY DIRECTOR STAPLES, PROGRAM OFFICER DAVIS, AND ASSISTANT PROGRAM OFFICER ADD-ETON. THE MISSION WAS COMPLIMENTED FOR ITS WELL CONCEIVED AND PARTICULARLY WELL WRITTEN DOCUMENTS, WHICH WERE APPROVED SUBJECT TO THE RESERVATIONS BELOW.

DIRECTOR STAPLES INTRODUCED THE REVIEW BY DESCRIBING PAKISTAN AS A COUNTRY STILL VERY MUCH ENGAGED IN NATIONBUILDING. AMONG THE ACCOMPLISHMENTS OF THE PAST SIX YEARS, HE CITED THEIR RECORD ON AFGHANISTAN; THE RETURN TO CIVILIAN GOVERNMENT; ECONOMIC POLICY PROGRESS (INCLUDING DEREGULATION, EXCHANGE RATE, GROWTH RATE); NARCOTICS; AND PROGRESS IN THE SOCIAL SECTORS (FAMILY PLANNING, ORT, FEMALE PARTICIPANTS, AND BETTER EDUCATION FUNDING). THE NEXT FIVE TO SIX YEARS WILL BE MORE DIFFICULT; THE HARD CHOICES POSTPONED HERETOFORE WILL NEED MAKING, PARTICULARLY IN THE SOCIAL SECTORS, ECONOMIC POLICY, AND PRIVATE SECTOR AREAS.

ISSUE 1 -- ASSISTANCE MODE -- HOW DO THE MISSION'S PLANS TO EMBARK ON CASH TRANSFER ASSISTANCE IN PAKISTAN RELATE TO ITS POLICY DIALOGUE OBJECTIVES?

DISCUSSION -- THE RATIONALE FOR CASH TRANSFER CAN BE TO HELP WITH BOP PROBLEMS, TO FURTHER POLICY GOALS, OR TO SPEED UP DISBURSEMENTS. IN PAKISTAN, BOP RELIEF DOES NOT CONFLICT WITH POLICY REFORM GOALS BECAUSE WE AND THE GOP ARE IN BASIC AGREEMENT ON THE NEED FOR REFORM, AND THE RESOURCES REINFORCE AND FACILITATE GOP INITIATIVES. FURTHER, THERE IS A CHRONIC BOP WEAKNESS IN PAKISTAN, AND THE SITUATION IS LIKELY TO WORSEN ABSENT MAJOR STRUCTURAL REFORMS.

BUREAU MANAGEMENT ACKNOWLEDGED THAT LINKING CONDITIONALITY (RETROSPECTIVE OR PROSPECTIVE) WITH DISBURSEMENTS WAS PROBLEMATICAL IN PAKISTAN. THERE WAS AGREEMENT, HOWEVER, THAT CLOSE ASSOCIATION OF A CASH TRANSFER WITH A SPECIFIC SET OF REFORMS, IF NOT FORMAL CONDITIONALITY, WAS ESSENTIAL TO JUSTIFY SUCH A

PROGRAM. IF PAKISTANI PERFORMANCE WERE TO WEAKEN, OUR REACTION SHOULD BE GUIDED BY THE BASIC OBJECTIVE OF KEEPING THE ECONOMY/SOCIETY STABLE.

PERFORMANCE BASED DISBURSEMENT, ON A SECTORAL BASIS, APPEARED TO BE AN APPROPRIATE MODE AS IT PROVIDES A MORE DIRECT ASSOCIATION WITH SECTOR REFORMS THAN A BOP RELATED CASH TRANSFER WITH ASSOCIATED POLICY REFORM CONDITIONALITY. HOWEVER, A CASH TRANSFER WAS SEEN AS THE MOST APPROPRIATE VEHICLE FOR WORKING WITH THE NGOS.

DECISION -- PRO CONTINUES TO BE A STANDARD AND APPROPRIATE TOOL TO PROCEED WITH. THE DOLS 30 MILLION CASH TRANSFER FOR NGOS/VID IS QUITE SPECIFIC, LAUDABLE, AND SHOULD BE PURSUED, ALTHOUGH THE ISSUE OF ELIGIBILITY OF US PYOS FOR FUNDING UNDER THE PROJECT WILL HAVE TO BE ADDRESSED.

THERE IS NO REASON WHY, UNDER THE RIGHT CIRCUMSTANCES, CASH TRANSFERS WOULD NOT BE AN APPROPRIATE AND USEFUL ELEMENT OF THE PAKISTAN PROGRAM. BUT IT IS ESSENTIAL THAT THEY BE UNDERTAKEN IN ASSOCIATION WITH POLICY CHANGES. WITH REGARD TO ANY AREAS WHERE CASH TRANSFER ASSISTANCE MIGHT BE APPROPRIATE, THE MISSION WILL UPDATE AND MODIFY ITS POLICY REFORM PAPER TO INDICATE WITH WHAT KINDS OF PROSPECTIVE POLICY REFORMS CASH TRANSFERS MIGHT BE ASSOCIATED OVER THE LIFE OF THE CDSS. THIS PAPER WILL BE SUBMITTED BY AUGUST 15, 1987.

ISSUE 2 -- CONDITIONALITY -- HOW IS LEVERAGE TO BE OBTAINED FROM THE FIXED MULTIYEAR AGREEMENT?

DISCUSSION -- THE MISSION SAID CONDITIONALITY AT THE SECTORAL LEVEL IS REAL IN THE PAKISTAN PROGRAM, CITING WHEAT DERATIONING AND THE WAPDA RECOVERY RATE AS EXAMPLES. THE GOP IS COMFORTABLE WITH AND RESPONDS WELL TO CONDITIONALITY IN OUR SECTORAL PROGRAMS. ASKED WHAT OPTIONS THE U.S. HAS IN THE EVENT OF NONPERFORMANCE, THE MISSION CITED THE PLANNED RURAL ELECTRIFICATION AMENDMENT, WHICH HAS A STATEMENT THAT IF THE CPS AND COVENANTS ARE NOT CARRIED OUT, NO FUTURE INVESTMENTS IN PUBLIC SECTOR POWER WILL BE MADE.

DECISION -- CONDITIONALITY IS A VITAL ELEMENT OF THE OVERALL PAKISTAN PROGRAM AND THE GOP IS GENERALLY RESPONSIVE. WE CONTINUE TO HAVE THE OPTION OF RESPONDING TO NONPERFORMANCE BY SHIFTING FUNDS BETWEEN PROJECTS AND SECTORS, AND TO RESPOND TO GENERAL AND EXTREME NONPERFORMANCE BY DEFERRING OBLIGATIONS IN A GIVEN YEAR.

ISSUE 3 -- VISIBILITY/NATIONAL INTEGRATION -- WHAT ARE THE "VISIBILITY" AND "NATIONAL INTEGRATION" OBJECTIVES OF THE PROGRAM AND HOW ARE THEY BEST PURSUED?

DISCUSSION -- THE MISSION STATED THAT VISIBILITY IS A LEGITIMATE OBJECTIVE OF A POLITICALLY-BASED PROGRAM, AND WE HAVE LONG BEEN INVOLVED IN THE LAGGING AREAS FOR A VARIETY OF REASONS INCLUDING THE EXPLICIT REQUEST OF THE GOP.

THE MISSION POINTED OUT THAT SEVERAL PROVINCES HAVE SEPARATIST TENDENCIES. IT IS REASONABLE TO BUILD SCHOOLS AND ROADS IN RESPONSE TO THE DESIRE TO OPEN UP THESE AREAS. STATE SAID THAT IT IS USEFUL TO THE GOP TO SHOW US INVOLVEMENT IN THE LAGGING AREAS; THE GOP HAS ATTACHED SIGNIFICANT PRIORITY TO DONOR ACTIVITY IN THESE AREAS.

IT IS PRESUMED THAT SOUND INVESTMENTS IN LAGGING AREAS

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WILL CONTRIBUTE TO THEIR INTEGRATION INTO THE NATIONAL ECONOMY AND SOCIETY. WHILE SEPARATE ANALYSES OF THE EXTENT OF THE CONTRIBUTION OF A PARTICULAR INVESTMENT ARE NOT REQUIRED, THE MISSION SHOULD GUARD AGAINST PURSUING ACTIVITIES WHICH WOULD NOT REASONABLY BE SEEN AS FURTHERING THE GOAL OF NATIONAL INTEGRATION.

REVIEWING OUR EFFORTS, THE DIRECTOR SAID THAT THE TRIBAL

AREAS PROJECT HAS BEEN TURNED AROUND AND IS WELL MANAGED. THE GADDOON NARCOTICS PROJECT (NWFP AREA DEVELOPMENT) IS NOW WORKING WELL. THE BALUCHISTAN PROJECT IS STILL GIVING SOME PROBLEMS, BUT THE MISSION IS WORKING ON THEM. ROADS IN LAGGING AREAS ARE JUSTIFIABLE ON THE MERITS. ON KARACHI, HOWEVER, WHICH THE GOP CONSIDERS A LAGGING AREA, THE MISSION WANTS TO KEEP ITS OPTIONS OPEN.

THE SUGGESTION WAS MADE THAT THE MISSION MIGHT WISH TO EXPLORE THE INTERACTIONS OF EQUITY CONCERNS AND INTEGRATION GOALS. IF LAGGING AREAS ARE POVERTY-STRICKEN REGIONS, A BHN-ORIENTED STRATEGY MIGHT ACHIEVE "VISIBILITY" OBJECTIVES MORE EFFECTIVELY THAN DISCRETE INFRASTRUCTURE INVESTMENTS NOT DIRECTLY LINKED TO POVERTY PROBLEMS.

DAA AGREED THAT WE NEED TO ACKNOWLEDGE THE POLITICAL UNDERPINNINGS OF OUR EFFORTS IN THE LAGGING AREAS, AS WE DETERMINE WHAT TO DO THERE, I.E., WHETHER TO BUILD ROADS OR TUNNELS, TRAIN PARTICIPANTS, PROVIDE BUDGET SUPPORT, ETC. THE DEVELOPMENT JUSTIFICATION WILL HAVE TO BE SOUND.

BEFORE WE DO THE LOWARI TUNNEL, FOR INSTANCE, WE NEED TO KNOW HOW AND TO WHAT EXTENT THE TUNNEL WILL HAVE AN IMPORTANT ECONOMIC AND SOCIAL DEVELOPMENT IMPACT, AND WILL CONTRIBUTE TO NATIONAL INTEGRATION. PRESUMABLY, THE MISSION WILL EXAMINE THE POLICY CONSTRAINTS TO DEVELOPMENT IN THE LAGGING AREAS AS IT SELECTS ITS INTERVENTIONS AND DEVELOPS ITS PROGRAMS. AS TO KARACHI, INVOLVEMENT IN URBAN INFRASTRUCTURE PROJECTS WOULD REQUIRE A DIFFERENT TYPE OF ANALYSIS.

IN SHORT, "VISIBILITY" AS A GOAL NEEDS TO BE PURSUED IN A MANNER COMPATIBLE WITH DEVELOPMENT IMPACT. VISIBILITY CAN BE ACHIEVED BY A VARIETY OF ACTIVITIES, E.G., PARTICIPANT TRAINING, CHILD SURVIVAL PROGRAMS, ETC. IT IS NOT AN ATTRIBUTE OF LARGE INFRASTRUCTURE PROJECTS ALONE.

DECISION -- A) INVESTMENT IN LAGGING AREAS, FOR A VARIETY OF POLITICAL AND ECONOMIC REASONS, IS AN APPROPRIATE PART OF THE PROGRAM. B) INVESTMENTS MUST BE JUSTIFIED ON THEIR DEVELOPMENTAL MERITS, CONTRIBUTE SIGNIFICANTLY TO THE DEVELOPMENT OF THE PROVINCE, AND FIT WITHIN SOME OVERALL PROVINCIAL DEVELOPMENT CONTEXT. THE INVESTMENTS WILL BE PRESUMED TO CONTRIBUTE TO NATIONAL INTEGRATION; THE MISSION WILL CONFIRM FOR

ITSELF THE VALIDITY OF THIS LINK IN INDIVIDUAL CASES. C) THE MISSION WILL PROVIDE AID/W WITH AN OVERVIEW OF ITS STRATEGIC APPROACH TO DEVELOPMENT OF LAGGING AREAS BY SEPTEMBER 1, 1987.

D) ENSURING VISIBILITY OF AID ACTIVITIES IS A LEGITIMATE AND DESIRABLE GOAL, BUT ITS PURSUIT SHOULD NOT UNDERMINE DEVELOPMENT MERIT AS AN APPROVAL CRITERION; VISIBILITY DOES NOT NECESSARILY IMPLY LARGE INFRASTRUCTURE PROJECTS.

ISSUE 4 -- DOMESTIC RESOURCE MOBILIZATION -- WHAT ARE THE PROSPECTS?

mission ch'd in Oct 13/87

Dom. Res. mobility

DISCUSSION -- THE MISSION NOTED THE ABUNDANCE OF BLACK MONEY IN THE ECONOMY. THE GOP IS TRYING TO MOBILIZE IT. THEY ARE TRYING TO FIND WAYS FOR PARASTATALS TO FLOAT BONDS, ALBEIT WITH A GOVERNMENT GUARANTEE. ULTIMATELY THEY NEED AUTONOMY TO SET RATES, AND SELL BONDS WITHOUT A GUARANTEE. THE PLANNING MINISTRY HAS ASKED FOR HELP IN MOVING PARASTATALS OFF BUDGET, WITH THE UNDERSTANDING THAT OUR OVERALL INTEREST IS IN ULTIMATE PRIVATIZATION OF PARASTATALS. ALSO UNDER CONSIDERATION BY THE GOP ARE THE HIGHWAY BOARD, RAILROADS, OGDC, MINERALS DEVELOPMENT CORPORATION; THE GOP REALIZES THEY CANNOT CONTINUE TO SUPPORT THEM ALONG WITH OTHER NEEDS (INCLUDING SOCIAL) OF INCREASING IMPORTANCE TO A POLITICAL GOVERNMENT. THEY ARE ALSO DISCUSSING PRIVATE INVESTMENT COMPANY REGULATIONS AND PRIVATE BANKING. THE RULES ON INVESTMENT SANCTIONING HAVE JUST BEEN RELAXED; NOW ONLY INVESTMENTS OVER RS. 3 CRORE NEED GOVERNMENT REVIEW.

AS TO PRIVATE SECTOR RESOURCE MOBILIZATION, THE TREND HAS BEEN SLOW BUT PERSISTENTLY POSITIVE. IN THIS REGARD, THE GOP IS NOT INCREASING ITS INVESTMENT IN PUBLIC SECTOR ORGANIZATIONS.

DECISION -- BY SEPTEMBER 30, 1987, THE MISSION WILL PROVIDE AID/W WITH A MORE DETAILED STATEMENT OF ITS SPECIFIC OBJECTIVES REGARDING RESOURCE MOBILIZATION BY THE PRIVATE AND PUBLIC SECTORS, AND ITS PRINCIPAL PROPOSED ACTIVITIES IN PURSUIT THEREOF.

submit ch'd in 11/2/87

ISSUE 5 -- EDUCATION -- WHAT MORE IS NEEDED FOR A DECISION TO MOVE AHEAD WITH A MAJOR PROGRAM IN PRIMARY EDUCATION?

Educate

DISCUSSION -- THE MISSION CITED THE POOR RECORD OF GOP SUPPORT FOR EDUCATION. THE MISSION'S MAJOR CONDITION OF CONSIDERING ASSISTANCE IS EVIDENCE OF INCREASED AND

LASTING SUPPORT FOR THE PRIMARY EDUCATION SECTOR. OVER THE LAST TWO YEARS, THE EVIDENCE HAS BEEN FAVORABLE BUT NOT OVERWHELMING. THE DECISION POINT FOR USAID INVOLVEMENT SHOULD COME AT THE END OF CY 1987; BY THEN WE WILL KNOW THE BUDGET NUMBERS AND THE ACTUAL FLOW OF FUNDS TO THE PROVINCES. IF PERFORMANCE IS SATISFACTORY, AND IF FUNDS COULD BE PUT IN WITH FULL ADDITIONALITY, THE MISSION WOULD CONSULT WITH THE IBRD (WHICH IS NOW INVOLVED) AND THE ADB (WHICH WANTS TO GET INTO PRIMARY EDUCATION) AND DISCUSS POSSIBLE LINES OF ACTION. AREAS OF PARTICULAR INTEREST ARE THE EDUCATION, TRAINING, ASSIGNING, AND PAYING OF TEACHERS, AS WELL AS THE CONSOLIDATION AND CONSTRUCTION OF NEW SCHOOLS. PRIMARY EMPHASIS WOULD BE ON FEMALE EDUCATION. THE MISSION WILL BE ALERT TO THE MANAGEMENT AND STAFFING IMPLICATIONS OF ANYTHING IT DEVELOPS.

PPC NOTED THAT THE PROBLEMS OF EDUCATION IN PAKISTAN ARE ENORMOUS, AND THAT THE SOLUTIONS NEED MASSIVE INPUTS, BUT THEY ARE BASIC, NON-COMPLEX ONES. S AND T ENDORSED THIS VIEW, AND FELT THAT ALL THE PIECES NEEDED FOR A PRIMARY EDUCATION INITIATIVE WERE COMING TOGETHER.

DECISION -- THE MISSION'S POSITIVE BUT CAUTIOUS EFFORTS TO EXPLORE PRIMARY EDUCATION WAS ENDORSED.

ISSUE 6 -- ENERGY -- WHAT IS THE MISSION'S ENERGY STRATEGY?

Energy

DISCUSSION -- THE MISSION SAID THAT INSTITUTIONAL IMPROVEMENT IN WAPDA IS ESSENTIAL TO THE SUCCESS OF THE

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STRATEGY, AND THAT SOME MODERATE PROGRESS IS BEING MADE. MANAGERIAL EFFICIENCY IN WAPDA CAN BE IMPROVED, BUT FULL AUTONOMY CANNOT BE EXPECTED. OBJECTIVE INDICATORS DO SHOW PROGRESS, BUT IF THAT PROGRESS TURNS OUT TO BE INSUFFICIENT OR IS NOT SUSTAINED, THE RURAL ELECTRIFICATION AMENDMENT SETS OUT SINE QUA NON STEPS FOR FURTHER PUBLIC SECTOR POWER INVESTMENTS.

DECISION -- THE ENERGY SECTOR STRATEGY PAPER WILL BE SUBMITTED BY JUNE 30, 1987, TO BE ACCOMPANIED BY THE PRIVATE SECTOR POWER CONCEPT PAPER. THE STRATEGY WILL ADDRESS STIMULATION OF PRIVATE INVESTMENT IN OIL AND GAS EXPLORATION AND DEVELOPMENT.

Submit June 12/30/87

ISSUE 7 -- TITLE I -- WHAT SHAPE WILL THE HALF-BILLION DOLLAR PL 488 TITLE I PROGRAM TAKE?

PL 488

DISCUSSION -- THE MISSION DISCUSSED THE COMMODITY

PROBLEM POSED BY THE INCREASE TO DOLS 89 MILLION PER ANNUM BEGINNING IN FY 1988. THE MISSION IS LOOKING AT POSSIBILITIES IN ANIMAL FEED, CORN, AND BEEF TALLOW IN ORDER TO REACH THAT LEVEL. FFP SAID THAT SOYBEAN MEAL HAS JUST BEEN ADDED TO THE ELIGIBLE LIST; WITH CORN, IT SERVES AS POULTRY FEED.

ON LOCAL CURRENCY PROGRAMMING, THE MISSION POINTED OUT THAT THE CURRENT PRACTICE OF ATTRIBUTION TO GOP BUDGET ITEMS WAS APPROVED FOUR YEARS AGO, AND THAT IT WOULD BE DIFFICULT TO GET THE GOP TO CHANGE IT, CITING THEIR RELUCTANCE TO UNDERTAKE A SECTION 108 PROGRAM. THE GOP MIGHT BE OPEN TO PERSUASION ON USING SOME PL 488 RUPEES TO REPLACE SOME OF THE MONDALE RUPEES NOW USED FOR RESEARCH PROJECTS. THE MISSION DOES USE PL 488 LOCAL CURRENCY IN CREATIVE, POLICY-RELATED WAYS NOW, E.G., THE ASSOCIATION WITH THE GHEE POLICY REFORMS, AND THE RURAL CREDIT SURVEY. THE GOP IS "WILLING TO DISCUSS THESE ISSUES IN A PL 488 CONTEXT," WHEREAS THEY WOULD NOT BE PREPARED TO ACCEPT CONDITIONALITY. THE MISSION DOES ASSOCIATE PL 488 WITH FORESTRY AND AGRICULTURAL RESEARCH ALLOCATIONS, BUT THROUGH THE GOP'S BUDGET DECISIONS RATHER THAN OUR PROGRAMMING THE RUPEES.

DECISION --A) THE MISSION WILL CONTINUE TO EXPLORE ALL ELIGIBLE COMMODITIES TO ABSORB THE FULL DOLS 89 MILLION, RECOGNIZING THAT THERE MAY BE PROBLEMS IN MAKING USE OF THE WHOLE AMOUNT.

B) THE CURRENT PRACTICE OF USING LOCAL CURRENCY TO SUPPORT POLICY REFORM WILL CONTINUE.

ISSUE 8 -- HEALTH AND FAMILY PLANNING -- HOW DEPENDENT IS OUR SECTORAL STRATEGY ON CHANGES IN GOP POLICIES AND BUDGET PRIORITIES?

Health / Jan Plan

DISCUSSION -- THE MISSION IS NOT GIVING UP ON THE PUBLIC SECTOR; MERELY PUSHING HARDER ON THE PRIVATE SECTOR AS WELL. THUS, WHEN PROMISED MOVEMENT ON PUTTING FAMILY PLANNING INTO HEALTH CLINICS, AS HAD BEEN DECIDED AND ANNOUNCED, DID NOT OCCUR DUE TO HEALTH MINISTRY OPPOSITION, THE MISSION MADE REPRESENTATIONS TO THE GOP. THIS KIND OF PROBLEM IS AN IMPLEMENTATION RATHER THAN A POLICY ISSUE; YOU HAVE TO PLAY A CONTINUING ADVOCACY ROLE AT THE HIGHEST LEVELS TO HAVE A REAL EFFECT ON NATIONAL PRIORITIES.

DECISION -- THE CHILD SURVIVAL STRATEGY IS SEEN AS A SOLID PIECE OF WORK; AID/W OWES THE MISSION A FULL RESPONSE BY SEPT/EL BY MAY 30, 1987.

practice

ISSUE 9 -- NARCOTICS -- WHAT ARE THE PROSPECTS FOR

MEANINGFUL CONTROL?

DISCUSSION -- THE MISSION NOTED A KEY CHANGE IN GOP THINKING ON THE OPIUM POPPY OVER THE LAST YEAR, IN PART DUE TO THE KARACHI RIOTS. THIS CHANGE WAS ESPECIALLY EXEMPLIFIED BY THE VERY SUCCESSFUL ERADICATION EFFORTS BY THE GOP IN THE GADDOON AREA. A NATIONAL CONSENSUS HAS NOW FORMED THAT IT IS A PAKISTANI NATIONAL PROBLEM. IN BOTH ENFORCEMENT-RELATED AREA DEVELOPMENT AND NARCOTICS EDUCATION EFFORTS, THERE HAVE BEEN SUCCESSSES OVER THE PAST YEAR. IT IS UNCLEAR, HOWEVER, HOW TO HANDLE THE ISSUE IN AREAS WHERE THE GOP DOES NOT HAVE CONTROL. WHAT IS CLEAR, HOWEVER, IS THAT THERE IS A QUID PRO QUO DEVELOPMENT FOR ENFORCEMENT, THAT THE GOP REQUIRES AS IT MOVES INTO MAJOR PRODUCING AREAS. THE GOP IS GENERALLY RELUCTANT TO ENFORCE A BAN ON POPPIES UNLESS THEY CAN PROVIDE SOME INCUCEMENT TO THE LOCAL POPULATION. IN SETTLED AREAS WHERE DEVELOPMENT HAS TAKEN PLACE, THE GOP DOES ENFORCE THE POPPY BAN.

THE MISSION BELIEVES THIS POLICY WILL PROBABLY APPLY TO AREAS THAT NEWLY SHIFT INTO POPPY GROWING, PERHAPS AS A RESULT OF TRADITIONAL AREAS GETTING OUT OF POPPIES. SUCH SHIFTS OF PRODUCTION INTO NEW AREAS, WHERE CONTROL-BECOMES EVEN MORE PROBLEMATICAL, COULD NEGATE THE DOWNWARD NATIONAL TREND OVER THE MEDIUM TERM.

THE MISSION NOTED THAT THE GOP HAS PAID SOME COMPENSATION FOR FAILED MAIZE CROPS, NOT ENTIRELY DISSIMILAR TO CASH INCENTIVES NOT TO GROW POPPY, BUT DID NOT KNOW IF THE GOP WOULD USE SIMILAR INCENTIVES IN NEW POPPY AREAS.

DECISION -- RECOGNIZING THAT WORLDWIDE AS WELL AS PAKISTANI MARKET FORCES GREATLY AFFECT THE SUCCESS OF OUR PRODUCTION/DEVELOPMENT PROGRAM, AND THAT THERE ARE CONSTRAINTS AND LIMITS ON WHAT WE CAN ACCOMPLISH, THE MISSION APPROACH IS ENDORSED. AID/W URGES THE MISSION TO CONTINUE TO ENCOURAGE GOVERNMENT OFFICIALS, AT THE NATIONAL AND PROVINCIAL LEVELS, TO ENSURE APPROPRIATE COMPLIANCE.

ISSUE 10 -- AGRICULTURE -- DOES THE ANALYSIS IN THE AGRICULTURE SECTOR STRATEGY AND THE CDSS SUPPORT THE PROPOSED PROGRAM IN AGRICULTURE?

Agree

DISCUSSION -- THE AGRICULTURE SECTOR STRATEGY WAS REVIEWED SEPARATELY. AMONG THE QUESTIONS RAISED WERE THE FEASIBILITY AND CONSISTENCY OF THE STRATEGY WITH THE PROJECTED DEVELOPMENT PATH OF THE PAKISTANI ECONOMY, AND THE RELATIVE IMPACT AND PRIORITY OF THE PRINCIPAL SUBSECTORAL COMPONENTS OF THE STRATEGY, E.G., IRRIGATION, FERTILIZER.

DECISION -- THE MISSION WILL PROVIDE AID/W, BY SEPTEMBER 30, 1987, WITH ADDITIONAL INFORMATION ELABORATING UPON ITS POST-1987 AGRICULTURAL STRATEGY AND LINKING THE CURRENT AND FUTURE AGRICULTURAL PROGRAMS TO THAT STRATEGY. AID/W EXPECTS THAT THIS ELABORATION WILL BE LARGELY BASED ON EXISTING ANALYSIS AND INFORMATION AVAILABLE TO THE MISSION. AID/W WILL PROVIDE THE MISSION WITH A FOLLOWUP CABLE INDICATING SPECIFIC QUESTIONS WHICH THE MISSION SHOULD ADDRESS.

ISSUE 11 -- STAFFING -- ARE PROPOSED STAFFING LEVELS REASONABLE?

Staff

DISCUSSION -- THE MISSION BELIEVES IT IS STAFFED ADEQUATELY TO PURSE THE POLICY DIALOGUE. THE MISSION RELIES ON THE PROFESSIONAL PAKISTANI STAFF, WHICH

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REQUIRES MINIMAL USDN SUPERVISION. TO DEAL WITH THE INFRASTRUCTURE PORTFOLIO, THEY HAVE HIRED 15 WELL-QUALIFIED PAKISTANI ENGINEERS OVER THE PAST YEAR, AND MAY ADD SEVERAL MORE IF NECESSARY. THERE WERE SUGGESTIONS THAT THE MISSION REVIEW ITS STAFF MIX AS IT UNDERTAKES A BROADLY BASED INFRASTRUCTURE PROGRAM. ENGINEERS MAY NEED TO BE COMPLEMENTED BY EXPERTISE IN INSTITUTIONAL, O AND M, AND ENVIRONMENTAL ISSUES. IF A DECISION TO UNDERTAKE MAJOR ACTIVITIES IN THE EDUCATION SECTOR IS REACHED, MUCH OF THE EFFORT COULD BE HANDLED BY FSM STAFF.

DECISION -- THE MISSION'S STAFFING LEVELS ARE ACCEPTABLE. SOME CHANGE IN STAFF MIX MAY BE REQUIRED BY THE NEW PROGRAM.

ISSUE 12 -- SCIENCE AND TECHNOLOGY -- IS THE MISSION GIVING ADEQUATE EMPHASIS TO SCIENCE AND TECHNOLOGY IN ITS STRATEGY?

DISCUSSION -- S&T IS BEING ADDRESSED IN THE INSTITUTIONAL EXCELLENCE PROJECT AS WELL AS IN THE INDIVIDUAL SECTOR ACTIVITIES. THE MISSION DOES NOT LOOK TO S&T AS A DISCRETE PROJECT OR SECTOR OF ACTIVITY.

DECISION -- THE MISSION POSITION IS ACCEPTED, AT LEAST UNTIL THE INSTITUTIONAL EXCELLENCE PROJECT HAS SOME IMPLEMENTATION RECORD.

CONCERN 1 -- OTHER DONORS -- THE MISSION RECORD ON COORDINATION IS OUTSTANDING. THE JAPANESE COORDINATE WITH US, BUT THEY DO NOT HAVE A RESIDENT MISSION AND TEND TO KEEP OUT OF SECTORS WHERE THEY WOULD HAVE ANY POLICY PROBLEMS. THE MISSION WILL BE ALERT TO ANY CHANGE IN THE JAPANESE APPROACH TO POLICY REFORM.

CONCERN 2 -- EVALUATION -- THE MISSION WILL REVIEW ITS TARGETS AND BENCHMARKS, AS A RESULT OF MEETINGS WITH AID/W STAFF, AND SUBMIT NECESSARY REVISIONS BY AUGUST 31, 1987. THE MISSION WILL CONDUCT AN ASSESSMENT OF AL-DATA COLLECTION ACTIVITIES ASSOCIATED WITH MISSION PROJECTS, TO DETERMINE EXISTING DATA GAPS AND TO CONTRACT WITH EVALUATION SPECIALISTS TO DEVELOP I&E PLANS IN THOSE CASES WHERE GAPS EXIST. THE MISSION WILL ALSO REVIEW THE EXISTING MACRO-ECONOMIC BENCHMARKS AND DETERMINE ADDITIONAL IMPACT-LEVEL BENCHMARKS TO SUPPLEMENT THE ESTABLISHED INTERIM-LEVEL BENCHMARKS.

CONCERN 3 -- TRADE -- THE MISSION WILL REVIEW THE TRADE-RELATED LANGUAGE IN THE AGRICULTURAL SECTOR STRATEGY.

CONCERN 4 -- HOUSING -- ANY MISSION INVOLVEMENT WOULD BE POLICY-DRIVEN, I.E., IT WILL DEPEND ON GOP WILLINGNESS TO SUPPORT POLICY CHANGES WHICH PERMIT SIGNIFICANT PRIVATE SECTOR ACTIVITY IN HOUSING.

CONCERN 5 -- MID -- THE MISSION WAS COMPLIMENTED FOR ITS RESOLUTE AND CREATIVE ATTENTION TO MID UNDER UNUSUALLY DIFFICULT CIRCUMSTANCES. THE SDF PROJECT AND THE GENDER FOCUS OF ITS PRIMARY EDUCATION THINKING ARE PROMINENT EXAMPLES. MISSION VIEWS ON MAXIMIZING WOMEN'S PRODUCTIVE ROLE IN AGRICULTURE WILL BE INCLUDED IN THE REVISED AGRICULTURAL STRATEGY PAPER. SHULTZ

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UNCLAS STATE 333250

AIDAC

E.O. 12356: N/A
TAGS: N/A
SUBJECT: FY 1988 ACTION PLAN GUIDANCE

REF: STATE 314272 DATED OCTOBER 8, 1987

REFTEL PROVIDES GUIDANCE ON PREPARATION OF ACTION PLANS FOR FY 1988. MISSION SHOULD NOTE THAT AS PER REFTEL, SECTION 11, PARAGRAPH D, EIGHT MANDATORY ELEMENTS REMAIN IN THE ACTION PLAN. THIS SUPPLEMENTARY GUIDANCE CABLE SERVES TO FOCUS AND SPECIFY QUESTIONS, WITHIN THOSE MANDATORY ELEMENTS, WHICH NEED PARTICULAR ATTENTION AND WERE THE BASIS FOR THE DECISION TO HOLD AN ACTION PLAN IN FY 1988. HOWEVER, ALL EIGHT MANDATORY ELEMENTS SHOULD BE ADDRESSED IN THE ACTION PLAN EVEN THOUGH THIS SUPPLEMENTARY GUIDANCE MAY NOT CONTAIN SPECIFIC ISSUES FOR EACH OF THE MANDATORY ELEMENTS. SEE ALSO LAST YEAR'S PROGRAM WEEK REPORTING CABLE.

1.) ECONOMIC POLICY QUESTIONS -- THE IBRD SAYS THAT PAKISTAN NEEDS TO COME UP WITH A REFORM PROGRAM TO JUSTIFY HIGH LEVELS OF ASSISTANCE. DOES THIS OFFER AN OPPORTUNITY FOR THE U.S. TO PROMOTE MEANINGFUL ECONOMIC REFORMS IN CONCERT WITH IBRD EFFORTS? WHAT WOULD SUCH A REINFORCED POLICY AGENDA CONSIST OF? (FOR INSTANCE, THE

CDSS REVIEW ASKED FOR A STATEMENT OF MISSION OBJECTIVES IN RESOURCE MOBILIZATION, A KEY AREA OF BANK INTEREST, (NOW DUE 11/25.) ARE THERE COSTS TO INCREASED COORDINATION? WOULD SOLID POLICY ACCOMPLISHMENTS HELP SAFEGUARD AGREED-UPON LEVELS IN THE EVENT AN AFGHAN PEACE WEAKENED THE EXISTING FUNDING RATIONALE? ALSO, HOW HAS THE GOP'S 1987/88 BUDGET CRISIS AFFECTED OUR PROJECT IMPLEMENTATION AND PIPELINE?

2.) SECTOR STRATEGIES -- THE ENERGY SECTOR STRATEGY IS NOW DUE 12/30. THE AGRICULTURE SECTOR STRATEGY HAS JUST BEEN REVISED; INSTITUTIONAL AND "AGRICULTURAL FOCUS" ISSUES WILL BE OF INTEREST, AS WILL THE QUESTION OF DIVERSIFYING AGRICULTURE AND OTHER EXPORTS. THE MISSION IS GOING TO DECIDE ON PARTICIPATION IN THE EDUCATION SECTOR BY THE END OF DECEMBER; IF AFFIRMATIVE, WE MAY NEED A STRATEGY FOR THAT SECTOR. RENEWED BUREAU INTEREST IN URBANIZATION MAY LEAD TO PROGRAM ACTIVITY IN KARACHI, IN WHICH CASE A STRATEGY FOR THAT SECTOR WOULD BE INDICATED. ALL OF THESE SECTOR STRATEGIES COULD USEFULLY BE REVIEWED IN AN INTEGRATED FORMAT.

3.) NATIONAL INTEGRATION -- WE MAY WISH TO DISCUSS THE NATIONAL INTEGRATION CONCEPT FURTHER, INCLUDING CRITERIA/Framework FOR JUSTIFYING PROJECTS. THE MISSION'S STRATEGIC OVERVIEW OF THESE ISSUES WAS JUST RECEIVED.

4.) SOF IMPLICATIONS -- IF THE GOP REJECTS THE SPECIAL DEVELOPMENT FUND CASH TRANSFER/NGO PROJECT, WHAT ARE THE CONSEQUENCES FOR OUR ABILITY TO (A) UNDERTAKE FAST-DISBURSING PROJECTS AND KEEP THE PIPELINE WITHIN MANAGEABLE BOUNDS; AND (B) ADDRESS NEEDS IN THE NON-GOVERNMENTAL SECTOR, PARTICULARLY WOMEN'S ISSUES? THE MISSION'S POLICY/CASH TRANSFER PAPER WAS DUE 10/12.

5.) P.L. 408 -- WHAT IS THE STATUS OF THE UMR PROBLEM CAUSED BY INCREASING TITLE I FROM DOLS 50 MILLION TO DOLS 80 MILLION? ARE THERE LONG-TERM POSSIBILITIES FOR NON-VEGAIL COMMODITIES (E.G. TOBACCO)?

7.) MANAGEMENT -- AMONG THE LIKELY AND POTENTIAL INFRASTRUCTURE PROJECTS COMING UP ARE LAKHRA, LAHARI TUNNEL, RURAL ELECTRIFICATION/GUDDU PHASE II, MORE IRRIGATION REHABILITATION, POSSIBLE ROADS AND DAMS IN WMP AND BALUCHISTAN. MANY OF THESE WOULD BE IN REMOTE LOCATIONS. ARE THE MISSION AND AID/V ENGINEERING AND CAPITAL DEVELOPMENT OFFICES ADEQUATELY STAFFED TO DEVELOP, CARRY OUT, SUPPORT, AND BACKSTOP THIS PORTFOLIO?

8.) TIMING -- IN VIEW OF GROWING CONGRESSIONAL INTEREST IN THIS PROGRAM, WE BELIEVE A MAY REVIEW OF THE AP WOULD BE MOST USEFUL. SHULTZ

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E.O. 12356: N/A
SUBJ: PAKISTAN CDSS UPDATE

REF: STATE 213021

1. SUMMARIZED BELOW IS A STATUS REPORT ON AGREED UPON ACTIONS DURING OUR PROGRAM WEEK AS RECORDED IN THE REFERENCED JULY CABLE. WE ARE BEHIND SCHEDULE DUE TO SEVERAL UNPLANNED EVENTS WHICH ARE ALSO DISCUSSED. AS A RESULT WE HAVE PROPOSED NEW TARGET DATES AND WE REQUEST ANE CONCURRENCE.

2. STATUS REPORT

A. POLICY REFORM AND CASH TRANSFER PAPER: (ORIGINALLY DUE AUG 15)

- DRAFT DUE SEPT 20
- MISSION REVIEW (INCLUDING EMBASSY/ECON) OCT 5
- FINAL DUE OCT 11
- CABLE AID/W OCT 12

B. LAGGING AREAS STRATEGIC APPROACH: (ORIGINALLY DUE SEPT 1)

- DRAFT COMPLETED SEPT 20
- MISSION REVIEW (INCLUDING EMBASSY/ECON-POL) SEPT 30
- FINAL DUE OCT 8
- CABLE AID/W OCT 13

C. DOMESTIC RESOURCE MOBILIZATION - SPECIFIC OBJECTIVES: (ORIGINALLY DUE SEPT 30)

- DRAFT DUE OCT 25
- MISSION REVIEW (INCLUDING EMBASSY/ECON) NOV 11
- FINAL DUE NOV 18
- CABLE AID/W NOV 25

D. ENERGY SECTOR STRATEGY TO BE ACCOMPANIED BY THE PRIVATE SECTOR POWER CONCEPT PAPER: (ORIGINALLY DUE SEPTEMBER 30)

- DRAFT DUE OCT 30
- MISSION REVIEW (INCLUDING EMBASSY/ECON) NOV 20
- FINAL DUE NOV 30
- CABLE AID/W DEC 30

E. AGRICULTURAL STRATEGY LINKAGE PAPER: (ORIGINALLY DUE SEPT 30)

- DRAFT SEPT 21

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MISSION REVIEW (INCLUDING EMBASSY/ECON) SEPT 22
FINAL DUE SEPT 30
CABLE AID/W OCT 5

F. EVALUATION CONCERNS:

- CDSS OBJECTIVES AND BENCHMARKS (ORIGINALLY DUE AUG 31)
- CABLE AID/W NOV 15

3. WE REGRET THAT WE ARE BEHIND SCHEDULE AND REQUEST ANE CONCURRENCE WITH NEW PROPOSED SUBMISSION DATES. DELAYS IN COMPLETING THESE DOCUMENTS ARE DUE TO SEVERAL FACTORS BEYOND OUR CONTROL:

A. PL 400 NEGOTIATIONS LASTED LONGER THAN EXPECTED DELAYING THE DEPARTURE AND THEREFORE SUBSEQUENT RETURN OF KEY ANALYST IN MACROECONOMIC AREA.

B. PRIVATE SECTOR POWER CONCEPT DID NOT DEVELOP AS EARLY AS PLANNED BY WORLD BANK AND SUMMER VACATION OF KEY STAFF DELAYED MISSION'S ABILITY TO FOCUS ON REVISING EARLIER ENERGY SECTOR STRATEGY DRAFT.

C. MID-TERM POLICY REVIEW DATE WAS ORIGINALLY NOT SCHEDULED FOR EARLY SEPTEMBER, BUT ONCE SET, ENTIRE MISSION HAD TO SPEND TIME ON PREPARATION DURING AUGUST AND EARLY SEPTEMBER.

D. AN INORDINATE AMOUNT OF SENIOR MISSION MANAGEMENT TIME HAS BEEN FOCUSED ON THE OYB IN AUGUST AND SEPTEMBER WITH COMPLICATED NEGOTIATIONS FIRST ON RE AND EP&D ADD-ONS AND SECOND ON ASSP AND SDF, COUPLED WITH A SEEMINGLY INTRACTABLE OMB APPORTIONMENT PROBLEM WHICH WEAKENED OUR HAND.

E. DUE TO ISSUES THAT AROSE DURING BUDGET PRESENTATION IN JUNE, IT IS CLEAR MORE SERIOUS

ATTENTION AND STUDY MUST BE GIVEN TO THE DOMESTIC RESOURCE MOBILIZATION ISSUE (PARA 2C ABOVE). THEREFORE, WE PLAN ON TAKING EXTRA TIME ON THAT ISSUE.

4. ADVISE PLEASE. RAPHEL

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AIDAC

E.O. 12356: N/A

TAGS: N/A

SUBJECT: PROJECT IMPLEMENTATION REVIEW

1. PIRS AND WORK PLAN WERE REVIEWED JANUARY 22, DAA MORRIS CHAIRING. THIS REVIEW FOCUSED ON PIPELINE DISCUSSION, GENERAL PORTFOLIO COMPOSITION AND CHARACTERISTICS, CROSSCUTTING ISSUES, DETAILED DISCUSSION OF SELECTED PROJECTS, AND STATUS OF PROJECT DESIGN EFFORTS FOR NEW PROJECTS.

2. PIPELINE: WHILE THE PIPELINE, AT DOLS 694.5 MILLION WAS THE ANE REGION'S SECOND LARGEST, MUCH OF THIS IS ATTRIBUTABLE TO STRUCTURAL FACTORS IN THE PORTFOLIO INCLUDING ANNUALLY ACCELERATING OBLIGATION RATES, AS WELL AS TO SLOW PROJECT STARTS. QUOTE PROBLEM UNQUOTE PIPELINE AMOUNTS IN THE CIPS, RURAL ELECTRIFICATION, TIPAN AND OTHER PROJECTS AS DEFINED BY MISSION MEMORANDUM WERE DISCUSSED. MISSION'S PLANS TO FINANCE MAJOR GOP PURCHASES OF CORN AND WHEAT USING, IN PART, PROJECT DE-OBLIGATIONS, SHOULD GO A LONG WAY IN REDUCING THE OVERALL PIPELINE, AS WILL PLANNED PROCUREMENTS OF GENERATING EQUIPMENT UNDER RURAL ELECTRIFICATION AND CONSTRUCTION SERVICES FOR TIPAN. CONSENSUS WAS THAT THERE IS NO GENERIC PROBLEM REPRESENTED BY THE LARGE

DOLLAR PIPELINE, AND THAT MISSION IS TAKING APPROPRIATE STEPS TO ADDRESS SPECIFIC PROJECT PROBLEMS.

DISCUSSION OF DELAYS IN TIPAN CONSTRUCTION CONTRACTING LED TO GENERAL OBSERVATION THAT, AS THE PORTFOLIO INCREASES ITS INFRASTRUCTURAL CONTENT, IT WILL BE ESPECIALLY IMPORTANT TO INCREASE THE ACCURACY OF COST ESTIMATING.

3. TRANSPORTATION ISSUE: THE ISSUE OF ELIGIBILITY OF PAKISTANI BOTOMS FOR FINANCING UNDER USAID'S PROJECTS WAS PRESENTED; HOWEVER, IT WAS AGREED THAT THIS ISSUE WOULD HAVE TO BE RESOLVED IN SEPARATE MEETING(S) WITH SER/OP. SUBSEQUENTLY ANE STAFF HAVE BEEN DISCUSSING ISSUE WITH SER/OP PERSONNEL. REPELS WILL REPORT ON STATUS AS PROGRESS IS MADE.

4. IRRIGATION SYSTEMS MANAGEMENT: AS PROJECT EVALUATION IS UNDERWAY AND MAJOR AMENDMENT IS PLANNED,

MAJOR ISSUES TO BE EXAMINED IN THESE EFFORTS WERE DESCRIBED. WE LOOK FORWARD TO EVALUATION FINDINGS ON POLICY AND INSTITUTIONAL CONCERNS SUCH AS COST RECOVERY, OPERATIONS AND MAINTENANCE FUNDING, AND MISSION'S VIEWS ON POTENTIAL FOR EXPANDED PRIVATE SECTOR ROLE IN THE PROJECT.

5. ACE: WITH CORN/WHEAT PURCHASES TO BE MADE UNDER THIS PROJECT, PIPELINE SHOULD BE LARGELY UTILIZED, INCLUDING PRIVATE WINDOW FUNDS. MEETING DISCUSSED MISSION'S EFFORTS TO FINANCE CITRUS JUICE CONCENTRATE PLANTS, THUS FAR FRUSTRATED BY AGENCY'S REQUIREMENT FOR INFORMATION ON POTENTIAL COMPETITION WITH U.S. PRODUCERS/EXPORTERS. IT WAS AGREED THAT BUREAU STAFF WILL SEEK A MEANS TO DEVELOP NECESSARY INFORMATION FOR THE AGENCY TO MAKE A REASONABLE JUDGMENT ON POTENTIAL IMPACT WITHOUT HAVING TO REQUEST DETAILED MARKET INFORMATION FROM PROSPECTIVE BORROWERS. IN THE CASE OF THE CARGILL REQUEST, ANE/TR AND PD ARE WORKING WITH PPC TO DEVELOP AN APPROACH FOR DEFINING AND OBTAINING NECESSARY INFORMATION TO EVALUATE POTENTIAL IMPACT.

6. ASSP: BUREAU REMAINS INTERESTED IN THE SPECIFIC POLICY AGENDA TO BE NEGOTIATED IN CONNECTION WITH THIS YEAR'S OBLIGATION. UNDERSTAND MISSION PLANS TO CABLE IN ITS PLANNED APPROACH AROUND MARCH 1. WOULD THE NEED TO FINANCE WHEAT UNDER ASSP IN RESPONSE TO DROUGHT AFFECT THE MISSION'S APPROACH TO POLICY DIALOGUE IN THIS PROJECT?

7. RURAL ELECTRIFICATION: WITH THE RFP NOW ISSUED TO BE FOR SUPPLY OF TURBINE EQUIPMENT, THIS ELEMENT OF THE PROJECT MAY BE ON THE WAY TO RESOLUTION. BUREAU STAFF WAS CONCERNED THAT DELAYS IN INITIATION OF TARIFF POLICY STUDIES MAKE IT UNLIKELY THAT GOP CAN MEET CONDITION PRECEDENT REQUIRING A PLAN FOR TARIFF RATIONALIZATION BY JUNE 1988. WOULD APPRECIATE MISSION VIEWS ON HOW THIS WILL IMPACT ON THE PROJECT, AND HOW THIS CONTINGENCY SHOULD BE HANDLED.

8. POPULATION WELFARE PLANNING: AS THIS PROJECT HAS LONG HAD PROBLEMS IN DISBURSEMENT AND OUTPUT ACHIEVEMENTS, WE WOULD APPRECIATE MISSION VIEWS ON STATUS OF THIS PROJECT, INCLUDING THE NEW COMPONENTS ADDED IN 1986.

9. PROJECT DESIGN SCHEDULE AND WORK LOAD ISSUES: MISSION FACES AN EXTREMELY HEAVY WORKLOAD OF AMENDMENTS, PP DESIGNS AND EVALUATIONS. AID/W WILL ASSIST IN FIELDING TEAMS AS NECESSARY. MISSION'S PLANS FOR EVALUATION OF SOME 12 PROJECTS OVER 1987/88 WAS NOTED - THIS IS HEAVY LOAD, BUT ESPECIALLY COMMENDABLE IN LIGHT OF PLANNED AMENDMENTS FOR LARGE NUMBER OF PROJECTS. EVALUATIONS SHOULD BE TIMED TO FEED INTO THE DESIGN PROCESS WHEREVER POSSIBLE, AND ALL AMENDMENTS SHOULD CONTAIN A QUOTE LESSONS LEARNED UNQUOTE SECTION INCLUDING EVALUATION FINDINGS, PROJECT'S RESPONSE TO EVALUATION, AND AS OTHER RELEVANT ANALYSIS OF EXPERIENCE UNDER THE PROJECTS. UNITEMAD

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AIDAC

FOR PPC/WID DAVIES AND ANE/SA/P DAKAN

E.O. 12356: N/A

SUBJECT: AID/W'S REQUEST FOR INFORMATION FOR
CONGRESSIONAL HEARINGS ON WOMEN IN DEVELOPMENT

REF: (A) STATE 025072, (B) 87 ISLAMABAD 006428

1. SUMMARY: INFORMATION ON USAID/PAKISTAN'S WID-RELATED ACTIVITIES FOLLOWS, IN THE FORMAT REQUESTED BY PPC/WID. MISSION HAS SELECTED AS OUR MAIN QUOTE SUCCESS STORY UNQUOTE THE WID SECTION OF THE PRIVATE SECTOR SCHOLARSHIP PROGRAM (PSSP) OF THE DEVELOPMENT SUPPORT TRAINING PROJECT (DSTP), WHICH WE LOOSELY DEFINE HERE AS A PRIVATE ENTERPRISE DEVELOPMENT ACTIVITY. ANOTHER POSSIBILITY WOULD BE THE WID COMPONENT OF THE NORTHWEST FRONTIER AREA DEVELOPMENT PROJECT (NWFADP). VARIOUS OTHER PROJECTS IN OUR PORTFOLIO HAVE OR ARE INITIATING WID INTERVENTIONS, AS DESCRIBED IN PARA 3. END SUMMARY.

2. ALTHOUGH THE WID COMPONENT OF THE PSS PROGRAM OF THE DST PROJECT IS HOUSED IN THE OFFICE OF HUMAN RESOURCES DEVELOPMENT, IN EFFECT IT ENCOMPASSES REF (A)'S PARA 2 AREA OF PRIVATE ENTERPRISE DEVELOPMENT (PED), AS THE FOLLOWING DESCRIPTION SHOWS:

A. USAID/PAKISTAN'S DEVELOPMENT SUPPORT TRAINING PROJECT (DSTP), THROUGH ITS SUPPORT FOR A SIGNIFICANT PRIVATE SECTOR SCHOLARSHIP PROGRAM (PSSP), INCLUDES ACTIVITIES AIMED ESPECIALLY AT WOMEN. THE GOP'S APPROVAL OF THIS PRIVATE SECTOR WID INITIATIVE WAS ACHIEVED AS A RESULT OF SUSTAINED MISSION EFFORT AND DIALOGUE WITH THE GOP. THE PROGRAM ENTAILS SOLICITING APPLICATIONS FROM WOMEN WORKING IN THE PRIVATE SECTOR, THUS PROVIDING THE IMPETUS TO MOBILIZE WORKING WOMEN AND TO OFFER THEM TRAINING OPPORTUNITIES FOR PROFESSIONAL DEVELOPMENT IN AREAS RELATED TO THE PRIVATE SECTOR. THESE OPPORTUNITIES ARE FOR BOTH LONG-TERM DEGREE PROGRAMS AND SHORT-TERM NON-DEGREE PROGRAMS IN THE U.S. AND THIRD COUNTRIES.

B. WOMEN SELECTED FOR TRAINING IN THE U.S. ARE EMPLOYED AT VARIOUS LEVELS OF MANAGEMENT IN PRIVATE SECTOR ORGANIZATIONS SUCH AS BANKS, PHARMACEUTICALS, ADVERTISING AGENCIES, ARCHITECTURAL AND ENGINEERING FIRMS, AIRLINES, EDUCATIONAL INSTITUTIONS, AND VARIOUS CONSULTING AND MARKETING FIRMS. EXPERIENCE HAS SHOWN THESE WOMEN TO BE HIGHLY MOTIVATED, CAREER-ORIENTED, AND CONFIDENT, WITH POTENTIAL FOR UPWARD MOBILITY.

C. ANOTHER SEGMENT OF PAKISTANI PRIVATE SECTOR WOMEN WHO HAVE NOTICEABLY BENEFITTED FROM THE PSSP ARE THOSE WHO OWN AND MANAGE SMALL-TO-MEDIUM-SIZED BUSINESSES. THESE INCLUDE BOUTIQUE OWNERS, GARMENT AND TOY MANUFACTURERS, TEXTILE DESIGNERS, ARCHITECTS, OWNERS OF ADVERTISING AGENCIES, AND MARKETING AND MANAGEMENT CONSULTANTS. INTERESTINGLY, EVEN AS LITTLE AS SIX TO EIGHT WEEKS OF TRAINING EXPERIENCE IN THE U.S. HAS ENHANCED THEIR SPECIFIC SKILLS, WHICH HAS HELPED IN THE GROWTH OF THEIR BUSINESSES. ALTHOUGH THE PROGRAM WAS INITIATED ONLY THREE YEARS AGO, IT IS WORTH NOTING THAT EACH YEAR THERE HAS BEEN MARKED BY A PROGRESSIVE INCREASE IN NUMBERS OF FEMALE APPLICANTS, AS WELL AS IN NUMBERS SELECTED.

D. IN ORDER TO REACH A LARGER NUMBER OF THE PRIVATE SECTOR WOMEN TARGET GROUP, IN-COUNTRY WORKSHOPS HAVE ALSO BEEN INITIATED, WITH INCREASING SUCCESS. THESE WORKSHOPS ON WOMEN IN MANAGEMENT ARE FOR MID-LEVEL WORKING WOMEN AND WOMEN ENTREPRENEURS.

E. THE PSSP PROCESSED 72 WOMEN PARTICIPANTS FOR TRAINING IN THE U.S. DURING FY85 AND FY86; CURRENTLY, SELECTION OF 72 WOMEN FOR FY87-FUNDED NOMINEES IS NEARING COMPLETION. IN-COUNTRY WORKSHOPS UNDER THE PROJECT PROVIDED TRAINING FOR APPROXIMATELY 200 OTHER WOMEN FROM FY85 THROUGH FY87.

F. SOME COMMENTS FROM PARTICIPANTS ON THEIR RETURN, WHICH PPC/WID MAY WANT TO INCLUDE IN THE REPORT:

- "VERY USEFUL. I LEARNED NEW SKILLS AND TECHNIQUES WHICH HELPED ME TO ADOPT A NEW APPROACH TO MY BUSINESS." (TOY MANUFACTURER)

- "A HELPFUL MARKETING COURSE. IT HELPED ME IN

CONGRESSIONAL HEARINGS ON WOMEN IN DEVELOPMENT BECOMING MORE ORGANIZED IN MY BUSINESS, AND ABLE TO COMPETE IN A BETTER WAY BY PLANNING MY MARKETING STRATEGIES." (INTERIOR AND TEXTILE DESIGNER)

- "THE OPPORTUNITY PROVIDED BY USAID/PAKISTAN FOR ME TO GO ON A SHORT-TERM COURSE IN EDUCATIONAL ADMINISTRATION WAS BEYOND EXPECTATIONS. I CAN ONLY SAY THAT IT WAS A TREMENDOUSLY REWARDING EXPERIENCE. AN OPPORTUNITY OF THIS NATURE, ESPECIALLY IN MY OWN FIELD, IS CERTAINLY A TRUE EXAMPLE OF USAID'S CONSTANT EFFORTS TO BRING MAXIMUM OPPORTUNITY TO PERSONS LIKE MYSELF, WHO CANNOT AFFORD TO PAY FOR THEM. I WOULD FURTHER LIKE TO MENTION THAT MY COLLEAGUE AND I HAVE ALREADY BEGUN TO APPLY SOME OF THE THEORIES IN OUR WORK, ESPECIALLY IN THE FIELD OF SUPERVISION OF INSTRUCTION." (PRINCIPAL OF A PRIVATE SCHOOL)

3. PLEASE NOTE THAT WE ARE IN A STATE OF TRANSITION BETWEEN THE EARLIER SIX YEAR AID PACKAGE TO PAKISTAN (FY1982-FY1987) AND THE FOLLOW-ON SIX-YEAR PROGRAM (FY1988-FY1993). MOST PROJECTS FROM THE EARLIER PROGRAM CONTINUE INTO THE FY1988-FY1993 PERIOD, SOME WITH SIGNIFICANT ADD-ONS AND AMENDMENTS. AT THE SAME TIME, SEVERAL NEW INITIATIVES ARE BEING DESIGNED. THE INFORMATION THAT FOLLOWS, BASED ON LAST YEAR'S REPORTING CABLE, INCLUDES REFERENCE TO BOTH ONGOING AND PLANNED ACTIVITIES. PLEASE NOTE THAT, UNLESS OTHERWISE INDICATED, THE WID FUNDING IS FOR PLANNED AS WELL AS AUTHORIZED AMOUNTS. THE AMOUNT SHOWN IS FOR PLANNED LOP, NOT WHAT HAS ACTUALLY BEEN EXPENDED TO DATE.

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A. NORTHWEST FRONTIER AREA DEVELOPMENT PROJECT
(391-0485)

FUNDING SOURCE: ESF

LOP FUNDING: AUTHORIZED DOLS 31 MILLION, PLANNED

- ADDITIONAL DOLS 27 MILLION

APPROXIMATE WID LOP FUNDING: DOLS 400,000

BRIEF DESCRIPTION: THIS PROJECT (FORMERLY KNOWN AS THE GADOON-AHAZAI AREA DEVELOPMENT PROJECT) IS LOCATED IN AN OPIUM-POPPY PRODUCING AREA OF THE NORTHWEST FRONTIER PROVINCE (NWFP). IT SEE

S TO

ERADICATE POPPY CULTIVATION, TO PROMOTE CROP SUBSTITUTION, AND TO INITIATE A RANGE OF AREA DEVELOPMENT ACTIVITIES, INCLUDING A WID COMPONENT, TO OFFSET THE RESULTANT LOSS OF INCOME, E.G.

CONSTRUCTION OF ROADS AND SCHOOLS, PROVISION OF WATER, ETC. THE WID SUB-PROJECT IS FORMALLY TITLED QUOTE WOMEN'S NON-FORMAL EDUCATION COMPONENT UNQUOTE. IT COMPRISES THE TEACHING OF LITERACY, BASIC HEALTH AND CHILD CARE, AND SKILLS TRAINING WITH A VIEW EVENTUALLY TOWARD INCOME-GENERATION. IT HAS BEEN IN IMPLEMENTATION APPROXIMATELY 18 MONTHS, AND IS CURRENTLY UNDERGOING REDESIGN FOR A PHASE II EXTENSION. DESPITE SOCIO-CULTURAL CONSTRAINTS OF WORKING IN THE NWFP AND THE OBVIOUS DIFFICULTIES INVOLVED IN ANY POPPY SUBSTITUTION EFFORT, PROGRESS SO FAR HAS BEEN NOTEWORTHY. STAFF CONSTRAINTS AND PHYSICAL ISOLATION AND INACCESSIBILITY NOTWITHSTANDING, THE WID COMPONENT IS SLOWLY BUT STEADILY GAINING THE SUPPORT AND ACTIVE PARTICIPATION OF THE TARGET GROUP.

B. TRANSFORMATION AND INTEGRATION OF PROVINCIAL AGRICULTURAL NETWORK (391-0488)

FUNDING SOURCE: (DA) ESF

LOP PROJECT FUNDING: AUTHORIZED DOLS 35.5 MILLION,

- PLANNED ADDITIONAL DOLS 38.5 MILLION

APPROXIMATE WID LOP FUNDING: DOLS 100,000

BRIEF DESCRIPTION: IN KEEPING WITH THE CULTURAL PRACTICES OF THE NORTHWEST FRONTIER PROVINCE (NWFP), AID-FINANCED CONSTRUCTION AT THE AGRICULTURAL UNIVERSITY IN PESHAWAR INCLUDES FACILITIES RESERVED ESPECIALLY FOR WOMEN, INCLUDING LIBRARY READING ROOM, FEMALE STUDENT AND FACULTY LOUNGES, AND OTHER FACILITIES. APPOINTMENT OF A DEAN OF WOMEN TO THE AGRICULTURAL UNIVERSITY IS INITIALLY FUNDED BY USAID. THE POSITION OF PROVINCIAL PROGRAM LEADER FOR

CONGRESSIONAL HEARINGS ON WOMEN IN DEVELOPMENT AN ACTIVITY ON WOMEN IN RURAL FAMILIES HAS BEEN ESTABLISHED. ALTHOUGH NOT SPECIFICALLY AID-FUNDED, THE PROJECT PAPER WAS WRITTEN TO INCLUDE PROVISIONS FOR A FEMALE HOSTEL AS PART OF THE GOP'S CONTRIBUTION TO THE PROJECT. TWENTY-FIVE WOMEN ARE CURRENTLY ENROLLED AT THE UNIVERSITY AND THERE ARE TWO WOMEN ON THE FACULTY; PRIOR TO BEGINNING OF THE PROJECT THREE YEARS AGO, THERE WERE NO FEMALE STUDENTS AND NO WOMEN ON THE FACULTY.

C. FORESTRY PLANNING AND DEVELOPMENT (391-0481)

FUNDING SOURCE: ESF

LOP PROJECT FUNDING: AUTHORIZED DOLS 25 MILLION,

- PLANNED ADDITIONAL DOLS 17 MILLION

APPROXIMATE WID LOP FUNDING: DOLS 800,000

BRIEF DESCRIPTION: THE PROJECT HAS FUNDED A BRIEF DESIGN EFFORT TO IDENTIFY WOMEN'S DEVELOPMENT ACTIVITIES THAT COULD BE INCORPORATED IN THE FIELD OPERATIONS OF TREE NURSERIES AND PLANTATIONS

ESTABLISHED UNDER THE PROJECT. IN ADDITION, A SEGMENT OF THE SOCIOLOGICAL BASELINE STUDY EXAMINES THE ROLE OF WOMEN IN FUELWOOD COLLECTION, MARKETING, AND USE. FINALLY, AN ADD-ON TO THE PROJECT NOW BEING DISCUSSED WOULD PROVIDE FUNDING FOR A FEMALE HOSTEL AT THE PAKISTAN FORESTRY INSTITUTE IN PESHAWAR, AS WELL AS FUNDING TO RECRUIT AND TRAIN WOMEN FORESTERS.

D. TRIBAL AREAS DEVELOPMENT (391-0471)

FUNDING SOURCE: ESF

PROJECT LOP FUNDING: AUTHORIZED DOLS 24 MILLION,

- PLANNED ADDITIONAL DOLS 50 MILLION

APPROXIMATE WID LOP FUNDING: DOLS 100,000

BRIEF DESCRIPTION: A COMPONENT OF THE TRIBAL AREAS DEVELOPMENT PROJECT IS NOW UNDERWAY TO IDENTIFY, DESIGN, AND IMPLEMENT AN INCOME-GENERATING ACTIVITY ON A PILOT BASIS FOR WOMEN IN THE TRIBAL AREAS OF THE NWFP. THE OBJECTIVE IS TO: (1) CREATE TWO OR THREE SMALL PILOT BUSINESSES AND/OR COOPERATIVES BASED ON LOCAL RESOURCES AND FEMALE LABOR AND MANAGEMENT; AND (2) FUND THE CONSTRUCTION OF TWO PRIMARY AND TWO MIDDLE SCHOOLS FOR GIRLS. PHASE I OF THE PROJECT INCLUDES THE DESIGN COMPONENT OF PILOT BUSINESSES/COOPERATIVES AND IDENTIFICATION OF THE SCHOOL SITES BY PAKISTANI CONSULTANTS. PHASE II ENVISAGES IMPLEMENTATION OF PILOT PRODUCTION SCHEMES, AND CONSTRUCTION OF THE SCHOOLS. PHASE I IS APPROXIMATELY FIFTY PERCENT COMPLETE.

E. FOOD SECURITY MANAGEMENT (391-0491)

FUNDING SOURCE: ESF

PROJECT LOP FUNDING: AUTHORIZED DOLS 35 MILLION

APPROXIMATE WID LOP FUNDING: DOLS 230,000

BRIEF DESCRIPTION: HOUSEHOLD SURVEYS UNDER THE SPECIAL STUDIES COMPONENT OF THE FOOD SECURITY MANAGEMENT PROJECT INCLUDE WOMEN-SPECIFIC QUESTIONS AND COVER SUCH ISSUES AS FEMALE TIME ALLOCATION, FEMALE LABOR PARTICIPATION AND INCOMES, AND WOMEN'S HEALTH AND EDUCATION. IN ADDITION, AN ANTHROPOLOGICAL STUDY OF WOMEN'S ROLES IN HOUSEHOLD DECISION-MAKING IS BEING CONDUCTED TO AUGMENT THE MORE STRUCTURED QUESTIONNAIRES. AN UNDERSTANDING OF THE RELATIVELY INVISIBLE ROLE OF WOMEN AND THE PROCESS OF ALLOCATION OF TASKS AND RESOURCES WITHIN THE HOUSEHOLD WILL ENHANCE ANALYSIS OF THE WELFARE IMPACT OF POLICIES WHICH THE GOVERNMENT MAY ADOPT.

F. PRIMARY HEALTH CARE (391-0475)

FUNDING SOURCE: DA/ESF

PROJECT LOP FUNDING: AUTHORIZED DOLS 30 MILLION

APPROXIMATE WID LOP FUNDING: DOLS 6 MILLION

BRIEF DESCRIPTION: THE GOAL OF THIS PROJECT IS TO IMPROVE THE COVERAGE AND QUALITY OF RURAL HEALTH SERVICES IN PAKISTAN. RECRUITMENT OF FEMALES FOR TRAINING AS HEALTH TECHNICIANS HAS BEEN MADE A PRIORITY. FEMALE ENROLLMENT HAS BEEN INCREASED FROM

CONGRESSIONAL HEARINGS ON WOMEN IN DEVELOPMENT 20 PERCENT IN 1985 TO OVER 45 PERCENT OF THE 459 STUDENTS CURRENTLY BEING TRAINED. CURRENTLY, 320

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FEALES (22 PERCENT OF THE TOTAL OF 1,466 HEALTH TECHNICIANS TRAINED) HAVE GRADUATED FROM THE EIGHTEEN-MONTH COURSE. THE PROJECT IS ALSO ASSISTING IN THE CONSTRUCTION OF 13 TRAINING SCHOOLS AND HOSTELS (INCLUDING 13 FEMALE HOSTELS) IN THE FOUR PROVINCES OF PAKISTAN. CONCERNING ORT, COMMUNICATIONS ASSISTANCE HAS FOCUSED ON EDUCATING MOTHERS. EPI ASSISTANCE IS ALSO ENCOURAGING INCREASED TETANUS TOXOID COVERAGE FOR MARRIED WOMEN. THIS EFFORT HIGHLIGHTS THE NEED FOR STRATEGIES TO REACH RURAL WOMEN WITH HEALTH AND EDUCATION SERVICES. THE SOCIOCULTURAL DETERMINATION OF ACCESS TO WOMEN BEGUN UNDER THIS PROJECT WILL CONTINUE TO RECEIVE ASSISTANCE UNDER THE PROPOSED CHILD SURVIVAL PROJECT.

COOKING FUEL SUCH AS COAL BRIQUETTES WOULD PROVIDE VITAL OPPORTUNITIES FOR WOMEN TO INCREASE THEIR PRODUCTIVITY IN OTHER AREAS SUCH AS COTTAGE INDUSTRY AND ALLOW WOMEN TO AVOID HAVING TO COLLECT FUELWOOD AND MAKE DUNG PATTIES.

- HOME ENERGY CONSERVATION SEMINARS UNDER AN OUTREACH COMPONENT OF THE ENERGY CONSERVATION PROGRAM ARE ESPECIALLY DESIGNED TO EDUCATE WOMEN TO START ENERGY SAVING EFFORTS AT HOME IN SUCH AREAS AS HEATING, COOKING, AND LIGHTING. THESE SEMINARS ARE

G. DEVELOPMENT SUPPORT TRAINING (391-8474)

FUNDING SOURCE: ESF
PROJECT LOP FUNDING: AUTHORIZED DOLS 48 MILLION,
- PLANNED ADDITIONAL DOLS 188 MILLION
APPROXIMATE WID FUNDING (TO 12/89): DOLS 9 MILLION

CONGRESSIONAL HEARINGS ON WOMEN IN DEVELOPMENT PART OF THE NATIONAL CAMPAIGN FOR ENERGY CONSERVATION. WOMEN AS THE KEY PARTICIPANTS IN HOME ENERGY CONSERVATION MEASURES CAN SAVE THEIR FAMILIES CONSIDERABLE AMOUNTS OF DISPOSABLE INCOME AND AT THE SAME TIME CONTRIBUTE TO IMPROVING PAKISTAN'S ECONOMY BY REDUCING POWER LOADSHEDDING AS WELL AS DEPENDENCE ON IMPORTED FUEL OIL.

I. POPULATION WELFARE PLANNING (391-8469)

BRIEF DESCRIPTION: IN THE WID CONTEXT, THE DEVELOPMENT SUPPORT TRAINING PROJECT (DSTP) SEEKS TO PROMOTE TRAINING SCHOLARSHIPS FOR WOMEN FROM BOTH THE PUBLIC AND PRIVATE SECTORS. TARGETS FOR TRAINING WOMEN ARE SET IN COOPERATION WITH THE GOP EACH YEAR. IN ORDER TO INCREASE WOMEN'S PARTICIPATION, A PRIVATE SECTOR SCHOLARSHIP PROGRAM IS ALSO BEING IMPLEMENTED (FOR DETAILS SEE PARA 2 ABOVE). IN ADDITION, APPROXIMATELY 75 WOMEN FROM THE PUBLIC SECTOR PARTICIPATED LAST FISCAL YEAR IN OVERSEAS TRAINING PROGRAMS SUPPORTED BY THE PROJECT; THE PLANNED TOTALS INCLUDE A MINIMUM OF 10 SCHOLARSHIPS FOR WOMEN FROM BALUCHISTAN PROVINCE. IN-COUNTRY MANAGEMENT TRAINING SEMINARS AND WORKSHOPS FOR WOMEN MANAGERS, SUPERVISORS AND ENTREPRENEURS FROM THE PRIVATE SECTOR ARE SUPPORTED UNDER THE PROJECT AS WELL. THE TOPICS OF THESE COURSES ARE: CAREER PLANNING, TIME MANAGEMENT, CONFLICT RESOLUTION, PROBLEM SOLVING, LEADERSHIP, INTER-PERSONAL SKILLS, ENTREPRENEURIAL CHARACTERISTICS, RISK-TAKING, STARTING SMALL ENTERPRISES, MARKET SURVEY AND RESEARCH, STRATEGIC PLANNING, QUALITY CONTROL. THE DOLS 1 MILLION PROVIDED UNDER DSTP FOR DEVELOPMENT OF THE PRIVATE SECTOR LAHORE UNIVERSITY FOR MANAGEMENT SCIENCES (LUMS) ALSO HELPS TO INCREASE FEMALE PARTICIPATION. USAID SCHOLARSHIPS HAVE FUNDED 35 DESERVING STUDENTS, OF WHICH 28 PERCENT WERE WOMEN. FINALLY, A GRANT OF DOLS 163,888 WAS MADE TO THE MINISTRY OF SOCIAL WELFARE IN PUNJAB PROVINCE FOR WID-RELATED PROJECTS SUCH AS THE STRENGTHENING OF THE VOCATIONAL TRAINING CENTER FOR RURAL WOMEN, WHICH OFFERS COURSES IN COMMUNITY DEVELOPMENT AND CHILD CARE; ALSO, IN-SERVICE TRAINING FOR FEMALE SOCIAL WORKERS.

FUNDING SOURCE: DA/ESF
PROJECT LOP FUNDING: AUTHORIZED DOLS 74 MILLION,
- PLANNED ADDITIONAL DOLS 35.85 MILLION
APPROXIMATE WID FUNDING (FY87): DOLS 268,888 (TO BE INCREASED IN FY88)

BRIEF DESCRIPTION: THE PWP PROJECT SUPPORTS THE OVERALL OBJECTIVES OF THE GOP'S POPULATION PLAN, WHICH ARE THE CREATION OF AN AWARENESS OF THE IMPORTANCE OF SMALL FAMILY SIZE AND BEHAVIORAL CHANGE AND THE PROVISION OF HIGH QUALITY CONTRACEPTIVE SERVICES ON A RELIABLE AND SUSTAINED BASIS. AS IN ANY POPULATION PROJECT, WOMEN IN GENERAL ARE ALSO BENEFICIARIES. SPECIAL SUPPORT HAS BEEN GIVEN TO PROMOTE FEMALE PARTICIPATION THROUGH NON-GOVERNMENT ORGANIZATIONS (NGO) ACTIVITIES IN THE POPULATION SECTOR. FIVE WOMEN FROM VARIOUS NGOS HAVE BEEN TRAINED IN THE U.S. IN AREAS OF PROGRAM DEVELOPMENT AND MANAGEMENT. TWO HUNDRED AND THIRTYEIGHT FEMALE NGO STAFF, VOLUNTEERS, AND COMMUNITY HEALTH WORKERS HAVE RECEIVED TRAINING IN-COUNTRY, IN AREAS OF PROJECT DEVELOPMENT AND MANAGEMENT, CONTRACEPTIVES TECHNOLOGY, AND MOTIVATION AND COUNSELLING FOR FAMILY PLANNING. THROUGH USAID'S ASSISTANCE TO THE NGO COORDINATING COUNCIL (NGOCC), THE PROJECT HAS ASSISTED WOMEN-BASED NGOS IN DEVELOPING AND ESTABLISHING FAMILY PLANNING SERVICE DELIVERY PROJECTS.

4. PLEASE NOTE THAT ACTIVITIES INCLUDED ABOVE ADHERE TO A STRICT DEFINITION OF WHAT CONSTITUTES A WID COMPONENT. MOST OTHER PROJECTS IN THE PAKISTAN PORTFOLIO ALSO AFFECT WOMEN, ALBEIT LESS DIRECTLY.

H. ENERGY PLANNING AND DEVELOPMENT (391-8478)

FUNDING SOURCE: ESF
PROJECT LOP FUNDING: AUTHORIZED DOLS 185 MILLION
APPROXIMATE WID LOP FUNDING: DOLS 268,888

5. ALTHOUGH THE PRIVATE SCHOLARSHIP PROGRAM OF THE DST PROJECT IS OUR PREFERRED CANDIDATE FOR THE MISSION "SUCCESS STORY" (AND IN OUR VIEW CAN PROPERLY BE CONSIDERED A PRIVATE SECTOR INITIATIVE), AS NOTED EARLIER YOU MAY ALSO WANT TO CONSIDER USING THE WID COMPONENT OF WIFADP WHICH DEFINITELY COVERS THE PREFERRED AREAS AS DESCRIBED IN REF (A) PARA 2. WE WOULD HOWEVER NOTE THAT THIS ACTIVITY IS RELATIVELY NEW AND NOT AS WELL ESTABLISHED AS THE PRIVATE SECTOR SCHOLARSHIP PROGRAM. (FYI: ABE/SA/P DESK OFFICER ROBERT BAAN HAS A COPY OF A RECENT INFORMAL ASSESSMENT OF THE WIFADP/WID ACTIVITY, AS WELL AS A FORMAL EVALUATION OF THE ENTIRE PROJECT. END FYI).

BRIEF DESCRIPTION: A COAL BRIQUETTE COMPONENT UNDER THE PROJECT INCLUDED HOUSEHOLD ENERGY USE SURVEYS CONDUCTED BY WOMEN AIMED AT IMPROVING UNDERSTANDING OF HOW WOMEN COLLECT AND USE TRADITIONAL SOURCES OF FUEL, WITH A VIEW TOWARD INTRODUCING MORE EFFICIENT AND HYGIENIC DOMESTIC SOURCES OF ENERGY. INTRODUCTION OF MORE EFFICIENT AND EASILY PROCURABLE

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AID/ANE/SA:JHANLEY (DRAFT) AID/PPC/PB:FAENEFIGK (DRAFT)
AND/ANE/TR/ENR:RICHARD (DRAFT) AID/ANE/TR:TURNER
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AIDAC

E.O. 12356: N/A
TAGS: N/A
SUBJECT: PAKISTAN AGRICULTURAL SECTOR STRATEGY REVIEW

1. ANE BUREAU REVIEWED THE PAKISTAN AGRICULTURE SECTOR STRATEGY AND ANNEX ON OCTOBER 28, 1987 WITH ANE/TR CHAIRING AND THE MISSION REPRESENTED BY SADDO H. PATRICK PETERSON WITH ASSISTANCE FROM P. MULLIGAN AND A. NUSSAIN USAID/P/PRO.

AT THE ANE BUREAU'S REQUEST, SADDO PETERSON BRIEFLY DESCRIBED THE AGRICULTURAL SECTOR PLANNING PROCESS TO DATE. HE OUTLINED THE CURRENT AID AGRICULTURAL PROGRAM AND THE ESTIMATED TIMETABLE OF THE GOP FIVE YEAR PLAN AND THE EXPECTED RELEASE OF THE PAKISTAN AGRICULTURAL COMMISSION REPORT IN MAY 1988.

BASED ON HIS DISCUSSIONS WITH THE MINISTER OF STATE FOR AGRICULTURE BEFORE HIS DEPARTURE, PETERSON ANTICIPATED THAT GOP PRIORITIES AND OBJECTIVES FOR THE AGRICULTURAL SECTOR IN THE NEXT 20 YEAR TIME FRAME WOULD CHANGE, AND THESE CHANGES WILL BE REFLECTED IN THE NEXT FIVE YEAR PLAN. THE MISSION EXPECTS THAT THE NEW GOP EMPHASIS WILL REQUIRE USAID TO EXAMINE THE PRIORITIES AND THE OBJECTIVES OF THE CURRENT AID AGRICULTURAL STRATEGY AND

TO MAKE NEEDED ADJUSTMENTS.

2. DISCUSSION/COMMENTS/ISSUES:

THE ANE BUREAU REVIEW OF THE AGRICULTURAL STRATEGY ANNEX CENTERED ON SEVEN PRIMARY ISSUES AS FOLLOWS.

A. MACROECONOMIC LINKAGES AND INSTITUTIONAL ANALYSIS:

THE STRATEGY ANNEX ADDRESSES LINKAGES AND COMPLEMENTARITY TO THE GOP PLAN AND THE OVERALL ECONOMY MAINLY IN TERMS OF PAST ADEQUACY OF GOP AND AID FINANCIAL RESOURCES. THERE WAS LITTLE DISCUSSION IN THE ANNEX OF THE POSSIBLE CHANGES IN THIS RESOURCE ENVIRONMENT AND HOW OTHER FACTORS BESIDES FINANCIAL RESOURCES ARE MAJOR CONSTRAINTS TO DEVELOPMENT.

THE DISCUSSION OF WHETHER INSTITUTIONAL CAPACITY AND POLICIES IN THE AGRICULTURE/INDUSTRY/TRADE SECTORS WILL PERMIT SUCCESSFUL IMPLEMENTATION OF THE STRATEGY IS NOT WELL DEVELOPED. NEITHER IS THERE A LINKAGE DEVELOPED

BETWEEN THE PRIVATE AND THE PUBLIC SECTORS IN THE STRATEGY ANNEX, ALTHOUGH ASSUMPTION IS MADE THAT THE PRIVATE SECTOR INVESTMENT WILL HAVE A MAJOR IMPACT ON THE DEVELOPMENT OF THE AGRICULTURAL SECTOR. ADDITIONAL ANALYSIS OF INSTITUTIONAL CONSTRAINTS AND PRIVATE VERSUS PUBLIC SECTOR INVESTMENT ON GROWTH WER CONSIDERED TO STILL BE NEEDED.

B. AGRICULTURAL OBJECTIVES AND PRIORITIES:

THE LISTING OF MISSION POLICY OBJECTIVES AND INITIATIVES INTO THREE PRIORITY GROUPS WAS USEFUL, BUT THE STRATEGY ANNEX IS UNCLEAR ON HOW THE IMPLEMENTATION AND IMPACT OF THESE POLICY REFORMS WOULD BE MEASURED AND MONITORED. IN ADDITION, THE REPORT IS SILENT ON THE IMPLICATIONS OF THE DIFFERENT PRIORITIES FOR BUDGET ALLOCATIONS AND IMPLEMENTATION. FOR EXAMPLE, WILL ALL "A" PRIORITY OBJECTIVES RECEIVE ATTENTION BEFORE ANY "B" ACTIONS ARE UNDERTAKEN?

THE ANALYTICAL UNDERPINNINGS TO THE PRIORITY AREAS CHOSEN BY THE MISSION BOTH IN THE AREA OF POLICY REFORMS AND PROGRAM/PROJECT SELECTION REMAIN UNDEFINED. IN PARTICULAR, THE IMPACT OF AID SPONSORED POLICY/PROGRAMS OF THE PAKISTAN ECONOMY IS STILL NOT CLEAR. FURTHER CLARIFICATION OF HOW THE PRIORITIES IN THE AGRICULTURAL STRATEGY WERE ARRIVED AT, INCLUDING OTHER DONOR

CONTRIBUTION TO THE SECTOR WOULD BE WELCOME.

C. AGRICULTURAL GROWTH RATE AND FOOD SECURITY:

THE ANALYSIS IN THE REPORT COULD BE STRENGTHENED THE ANNEX ARGUES THAT AID'S AGRICULTURAL STRATEGY IS CONSISTENT WITH THE GOP'S STRATEGY, BUT DOES NOT ATTEMPT TO QUANTIFY THE RELATIONSHIP BETWEEN AID'S (OR THE GOP'S) INVESTMENTS (IRRIGATION, RURAL ELECTRIFICATION, ETC.) AND RETURNS IN THE FORM OF INCREASED AGRICULTURAL OUTPUT, INCOMES, EMPLOYMENT, ETC. AS A RESULT, NO COMPARISON CAN BE MADE AMONG INVESTMENTS/ACTIVITY AREAS NOR CAN ONE GET A SENSE OF THE OVERALL ECONOMIC IMPACT OF AID'S (OR THE GOP'S) AGRICULTURE PROGRAM. SOME ATTEMPT AT DEFINING AND PROJECTING THESE AGGREGATES WOULD BE USEFUL TO GET A SENSE FOR IMPACT AND MULTIPLIER EFFECT OF THE PROGRAM.

THE STATEMENT IS MADE THAT ACHIEVING THE GOSS GOAL OF A 3.6 PERCENT INCREASE ANNUALLY IN AGRICULTURAL PRODUCTION WOULD PROVIDE FOOD SECURITY FOR THE COUNTRY'S POPULATION. THIS IS NOT NECESSARILY TRUE. SINCE 3.6 PERCENT IS EXPRESSED IN VALUE TERMS, GROWTH MAY BE RELIEVED BY SOME COMBINATION OF INCREASED YIELDS, INCREASED AREA HARVESTED, AND A SHIFT IN CROPPING PATTERNS TOWARD HIGHER VALUE CROPS AND LIVESTOCK. EXPECTED CHANGES IN AREA AND YIELDS OF MAJOR CROPS (BOTH FOOD AND NONFOOD) WOULD IMPROVE THE ANALYSIS SIGNIFICANTLY. ALSO, ADDITIONAL ANALYSIS ON LINKAGES BETWEEN CROP PRODUCTION/MIX, EMPLOYMENT, AND FOOD SECURITY WOULD BE USEFUL TO UNDERSTAND THE POTENTIAL IMPACT OF POLICIES AND PROJECTS.

D. YIELD INCREASES IN MAJOR FOOD CROPS:

THE STRATEGY ANNEX ESTIMATES THAT AGRICULTURAL YIELDS IN PAKISTAN WILL NEED TO INCREASE BY 2.5 PERCENT PER ANNUM TO ACHIEVE GROWTH TARGETS CURRENTLY PROJECTED AS OPPOSED TO PAST RELIANCE ON AREA EXPANSION. IS THIS REALISTIC, CONSIDERING THE CURRENT LOW YIELD GROWTH RATES IN PAKISTAN FOR FOOD CROPS? FOR EXAMPLE, WHEAT YIELD GROWTH RATE IN PAKISTAN IS CURRENTLY ESTIMATED AT 0.9

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PERCENT PER ANNUM. ADDITIONAL INDICATION OF THE ANALYTICAL PREMISE FOR THIS ASSUMPTION WOULD BE USEFUL. THE TECHNOLOGY MAYBE AVAILABLE BUT CAN OR WILL FARMERS ADOPT IT AT RATES SUBSTANTIALLY HIGHER THAN IN THE PAST? HOW WILL SUCH ADOPTIONS AFFECT NET INCOMES AND CROPPING PATTERN/MARKET INCENTIVES?

E. IRRIGATION:

THE MISSION'S PRIMARY IRRIGATION-RELATED POLICY OBJECTIVES ARE APPROPRIATE: A) O&M COST RECOVERY AND B) DIVESTITURE OF SWEET-WATER TUBEWELLS. SUCCESSFUL IMPLEMENTATION OF THESE OBJECTIVES SHOULD RESULT IN INCREASED ACCOUNTABILITY OF IRRIGATION DEPARTMENTS FOR DELIVERY (OR FEES WILL NOT BE PAID) AND REDUCTION OF O&M COSTS PER UNIT OF WATER OR AREA UNIT (TUBEWELLS ABSORB A DISPROPORTIONATE SHARE OF O&M BUDGETS).

HOWEVER, THE ANALYSIS DOES NOT ADEQUATELY DEMONSTRATE THE RELATIONSHIP BETWEEN THE SUBSTANCE OF THE PROGRAM AND THESE OBJECTIVES. FOR EXAMPLE, WHAT WOULD BE THE IMPACT ON FAMILY INCOMES OR WATER USE EFFICIENCIES OF THE FULL COST RECOVERY POLICY?

THE CURRENT IRRIGATION PROGRAM CONCENTRATES ON RELIABLE AND EQUITABLE WATER DELIVERY AS A NECESSARY PRECONDITION FOR INCREASED PRODUCTION. THE ANALYSIS WOULD BE STRENGTHENED BY A CLEARER STATEMENT OF THE WAY IN WHICH THIS PROGRAM ADDRESSES CRITICAL TECHNICAL AND INSTITUTIONAL CONSTRAINTS TO RELIABLE AND EQUITABLE WATER DELIVERY, AND HOW THESE RELATE TO THE POLICY OBJECTIVES STATED ABOVE.

IN ADDITION, SOME INDICATIONS OF THE GOP PRIORITIES IN PLANNING AND MANAGEMENT OF OVERALL WATER RESOURCES INCLUDING CURRENT THINKING ON LARGE WATER DEVELOPMENT PROJECTS WOULD BE USEFUL.

F. NATURAL RESOURCE MANAGEMENT AND THE ENVIRONMENT:

AID/W WAS ENCOURAGED TO HEAR THAT THERE IS GOP INTEREST IN LOOKING AT NATURAL RESOURCE MANAGEMENT AND CONSERVATION ISSUES IN THEIR NEW AGRICULTURAL FOCUS. UNCONTROLLED GRAZING AND BROWSING IN FOREST AND RANGE AREAS IS A CHIEF CONTRIBUTING CAUSE OF NATIONAL ENVIRONMENTAL DETERIORATION ACCORDING TO THE MISSION'S RECENT CABLE ON BIOLOGICAL DIVERSITY AND TROPICAL FOREST ANALYSIS. AID LOOKS FORWARD TO FUTURE MISSION THOUGHTS ON THE RESOURCE USE INEFFICIENCIES IN THE UNDERDEVELOPED PERIMETERS INCLUDING FRAGILE LANDS, RANGE MANAGEMENT AND WATERSHEDS.

G. WOMEN IN AGRICULTURE:

ALTHOUGH AID/W WAS TOLD THAT THERE WOULD BE ADDITIONAL INFORMATION AND ANALYSIS ON THIS TOPIC, IT IS NOT IN THE

STRATEGY ANNEX. THIS INFORMATION SHOULD BE INCLUDED IN SUBSEQUENT VERSIONS OF THE AGRICULTURAL STRATEGY.

3. CONCLUSIONS

A. THE ANNEX, THOUGH USEFUL IN FURTHERING AID/W UNDERSTANDING OF THE PAKISTAN AGRICULTURAL SECTOR AND THE MISSION DIRECTIONS, FALLS SHORT OF PROVIDING THE FULL ANALYTICAL LINKAGE TO THE EXPECTED OVERALL ECONOMIC DEVELOPMENT PATH OF PAKISTAN OR A BASIS FOR MISSION PRIORITIES IN PROGRAM, POLICY AND PROJECT ACTIVITIES.

B. THE EXPECTED MAY 1988 RELEASE OF THE 16 VOLUME

AGRICULTURAL COMMISSION REPORT SHOULD PROVIDE A SIGNIFICANT NEW OPPORTUNITY TO REEXAMINE THESE QUESTIONS. HOWEVER, SINCE GOP FIVE YEAR PLAN IS NOT EXPECTED TO BE AVAILABLE UNTIL APRIL 1988 AT EARLIEST, MISSION WILL NEED ADDITIONAL TIME TO ANALYZE THE PLAN AND IN THAT LIGHT REAPPRAISE VALIDITY OF THE CURRENT AGRICULTURAL STRATEGY.

C. THE SADO INDICATED COMMITMENT TO FURTHER DEEPENING THE ANALYSIS OF THE LINKAGES BETWEEN GOP GROWTH OBJECTIVES AND THE AID PROGRAM. THERE WAS BASIC AGREEMENT THAT 3 QUESTIONS RAISED BY AID IN STATE 30130 (PARA. 5) - A. DEVELOPMENT OF LINKAGES TO THE GOP'S DEVELOPMENT PLAN AND MACROECONOMIC AND SECTORAL TRENDS, B. INSTITUTIONAL CONSTRAINTS AND C. EXPECTED IMPACT OF MAJOR AGRICULTURAL PROGRAM ELEMENTS ON STRATEGY GOALS - REMAIN IMPORTANT AND SHOULD BE FURTHER EXPLORED IN ANY REEXAMINATION OF THE STRATEGY.

4. ACTIONS/RECOMMENDATIONS

A. THE CURRENT TIMETABLE FOR PAKISTAN ACTION PLAN IS FOR AID/W REVIEW IN MAY 1988 (STATE 33250). THE ACTION PLAN SHOULD MAKE A BEST EFFORT TO INCORPORATE MOST CURRENT INFORMATION ON KNOWN DIRECTION AND IMPLICATIONS OF NEW GOP PLAN IN REGARD TO AGRICULTURE.

B. ASSUMING THE AGRICULTURAL COMMISSION REPORT IS AVAILABLE EARLY 1988, THE MISSION WILL PROVIDE IN LATE 1988 (NOVEMBER/DECEMBER) AN ANALYSIS OF THE NEW GOP FIVE YEAR PLAN AND OF THE AGRICULTURAL STRATEGY ALONG THE LINES OUTLINED IN STATE 220130. THE MISSION WILL ALSO PREPARE ANY SPECIFIC CHANGES TO THE MISSION AGRICULTURAL STRATEGY THAT THESE ANALYSES WOULD INDICATE.

C. MISSION IS ENCOURAGED TO DEVELOP AN ANALYTIC AGENDA AND TIMETABLE FOR THIS EXERCISE AND TO SHARE THIS WITH AID/W. MISSION IS ALSO ENCOURAGED TO DRAW UPON DP AND TR FOR ASSISTANCE IN THIS PROCESS. SNULTZ

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5. THIS IS NOT ONE INSTANCE OF USAID INABILITY TO DO
MUCH BETTER THAN DIALOGUE AND OFFER SCHOLARSHIPS WHEN
IT COMES TO THE PRIVATE SECTOR. A.I.D. CREDIBILITY
AND POLICY DIALOGUE IMPACT WOULD BE RAISED IF
MISSION SHOULD FOLLOW THROUGH. RAPHEL

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E.O. 12356: N/A

SUBJECT: [REDACTED]
[REDACTED] SOME COMMENTS

REF: (A) ISLAMABAD 20025 (B) STATE 320130

1. APPRECIATE AID/W RESPONSE TO REFTEL A.
2. MISSION PROVIDED CARGILL WITH INFORMATION REQUESTED AND WILL TRANSMIT THEIR REPLY WHEN RECEIVED.
3. MISSION NOTES THAT WHILE SECTION 209 OF THE SUPPLEMENTAL APPROPRIATIONS BILL PASSED BY CONGRESS IN 1986 DISCOURAGED USE OF U.S. FOREIGN ASSISTANCE FUNDS FOR STIMULATING COMPETITIVE PRODUCTION IN DEVELOPING COUNTRIES, THE CONFERENCE REPORT TEMPERED CONSIDERABLY THE LANGUAGE OF SECTION 209. THAT REPORT SAID, INTER ALIA, THAT EXPORTS HAD TO CAUSE SUBSTANTIAL INJURY TO AND HAD TO BE IN DIRECT COMPETITION WITH U.S. EXPORTS. THE EMPHASIS CLEARLY IS ON SUBSTANTIAL INJURY.

FURTHER, ARTICLE XXXVI OF GATT CLEARLY SUPPORTS AND ACKNOWLEDGES THE NEED FOR RAPID AND SUSTAINED EXPANSION OF THE EXPORT EARNINGS OF THE LESS-DEVELOPED CONTRACTING PARTIES.

4. [REDACTED]
[REDACTED] (REFTEL B, PARA 2 - INTRODUCTORY SENTENCE). [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] CARGILL'S ACCESS TO THESE FUNDS (FOR WHICH THE COMPANY WILL PAY TEN PERCENT INTEREST) IS NOT GOING TO BE A FACTOR IN DECIDING WHETHER OR NOT THE CARGILL PROJECT GOES FORWARD. CARGILL HAS WORKED FOR TWO YEARS WITH THE GOV TO GET A SANCTION FOR THIS PROJECT. THE SANCTION WAS FINALLY APPROVED BY THE CABINET LEVEL COMMITTEE. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

THE CARGILL PROJECT IS NOT DEPENDENT UPON USE OF

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