

U N C L A S S I F I E D

USAID/PAKISTAN

PROGRAM WEEK

FEB. 1986 ACTION PLAN

U N C L A S S I F I E D

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ACRONYMS

| | | |
|----------|---|--|
| DST | - | Development Support Training |
| ENERCON | - | Energy Conservation Unit (GOP) |
| ENERPLAN | - | Energy Planning Unit (GOP) |
| FPD | - | Forestry Planning & Development |
| FSM | - | Food Security Management |
| KESC | - | Karachi Electric Supply Corporation |
| MART | - | Management of Agricultural Research & Technology |
| MDB | - | Multilateral Development Bank |
| NWF | - | North-West Frontier Province |
| PWP | - | Population Welfare Planning |
| SMC | - | Social Marketing of Contraceptives |
| TIPAN | - | Transformation & Integration of Provincial Agricultural Network |
| WAPDA | - | Water & Power Development Authority |

PART I Overview of Current Program

The Pakistan program is in the fifth year of the six-year \$1.6 billion economic support package negotiated in the wake of the Soviet invasion of Afghanistan. The Russians are very much still in Afghanistan. Indeed their brutal conduct of the war in Afghanistan and their pressure on Pakistan through cross-border aerial incursions and saboteur missions have grown ever more outrageous. New Afghan refugees continue to add more human misery to by far the world's largest refugee population. The new parliamentary government is under some public pressure, likely to grow, to cut a deal with the Russians.

The economy continues to be marked by a surprising appearance of prosperity - deceptive in the sense that rather little basic economic reform has been accomplished. Many Pakistanis are relatively better off than they otherwise would be because of the extraordinary inflow of remittances, legal and illegal, from the Gulf states; drug and smuggling money; and doubtless a number of financial benefits derived from the Afghanistan war. Falling oil prices today are, as one observer put it, but the latest deus ex machina.

By GOP testimony, the AID program has been very useful to Pakistan during this troubled period. It has helped the government to deal with an absolutely critical energy shortage; it has provided rapid commodity help in times of serious production shortfalls; it has reestablished a U.S.-Pakistani relationship in training and research greatly valued by most Pakistanis; and it has been useful to the government in analyzing and pushing economic policy reforms. In its economic policy work, the Mission has developed a highly effective and unusual degree of cooperation and collaboration with the World Bank and the Asian Development Bank. In a variety of ways, mostly indirect, the AID program has been useful in private sector development.

The program itself, on average, is about a year behind schedule in implementation. A majority of the projects are only now beginning to come

together, and implementation problems are thus just beginning to be revealed in their true, large dimensions. These were the main focus of the very helpful Mission assessment carried out in November, 1985. At the same time, the Mission has begun serious planning for the Post-1987 program to which President Reagan has committed the U.S. Government.

Current Program Status: The Mission's current portfolio consists of 19 ongoing projects. Two projects, Commercial Funding Investment Corporation (CFIC) (391-0482) and Roads Resources Management (391-0480) are planned for authorization and initial obligation during FY 1986. The Lakhra Coal Power Generation Project (391-0487) with luck will make an initial obligation in June, 1987. Staff attention is now basically concentrated on implementation of the existing project portfolio. In an effort to reduce the direct management burden, host country contracting is now the Mission's preferred means of acquiring TA under the program. We are exploring other modes to assist local institutions to reduce reliance on expatriate expertise.

The AID program has been marked by some real successes. The Guddu 450 MW combined cycle turbine generation plant component of the Rural Electrification Project has two generators currently operating and two more will begin operation in March 1986. The Guddu turbines, brought in on time and within cost estimates, will increase the thermal generation capacity of the current system by 25 percent. The NWFP area development project has to date been successful in assisting the GOP enforce its ban on opium poppy cultivation in the project area by timely implementation of the project's economic and development assistance package. The Mission's PL-480 Title I project has helped focus GOP policy makers' attention on liberalization of policy on the edible oils market. The On-Farm Water Management project is regarded by the GOP, the World Bank, and the Mission as a true success in improving the utilization of water by the farmers.

Three evaluations were completed in FY 1985. Six interim and one special evaluation will be conducted in FY 1986. During FY 1985, three major policy

studies (contraceptives, fertilizer, and edible oil stock and trade management) were completed. Policy related studies are being carried out in all major sectors in FY 1986.

Seventeen major contracting actions for technical assistance, each costing over one half million dollars, were executed in FY 1985. Ten and six are planned for FY 1986 and FY 1987, respectively. Regarding commodities, ten large procurements took place in FY 1985. Thirty and 25 major commodity contracts are planned for FY 1986 and FY 1987 respectively.

As of Dec. 31, 1985 the Mission pipeline was \$467 million. It is expected to decline to \$445 million by end FY 1986 even with \$263 million in new obligations. Of the Dec. 31 pipeline, less than 20 percent relates to project delays. The remaining represented forward funding.

At the end of FY 1985, on-board USDH staff were 42 as against the Mission authorized ceilings of 43. No increase in the DH ceiling is planned. Significant staff turnover occurred during FY 85, including much of the Mission's senior management. At the end of FY 1985 71 long-term (L.T.) contractors were on board. Under the existing portfolio, the level of L.T. contractors will peak at 125 by the end of FY 1986 and decline thereafter. Redesign efforts underway for ongoing projects and the three new projects could easily extend this peak out to FY 1988 unless every effort is made to reduce the number of expatriate advisors.

Status of Post-FY 1987 Economic Assistance Program: The multiyear program of economic assistance agreed to in 1981 will end on Sept. 30, 1987. The 1981 agreement was devoid of policy conditionality. The Mission is now planning for a Post-FY 1987 Economic Assistance Program. In the early bilateral discussions, the USG has stated its desire to associate future assistance with GOP policy performance.

In each major sector of AID involvement, Mission staff are identifying policy and performance goals against which assistance can be programmed. These analyses will buttress a new CDSS to be submitted in 1987.

The new program should establish a clear connection between policy objectives and performance. It also should be designed to be easier to manage and require significantly less technical assistance. We want fewer and larger projects. For political purposes, we will want to support some small number of large, developmentally useful and highly visible projects.

The GOP and we have agreed that the new program should continue to focus on three sectors -- energy, agriculture and irrigation, and social services. While continuing to work in these sectors, we will examine different approaches to policy and structural reform and to institutional problems. These may include performance-related disbursements, placing much more project responsibility squarely on Pakistani institutions, and greater assistance to and reliance on the private sector. The Mission is thinking along the following lines:

- Energy: AID should take a more visible funding role in power generation, rehabilitation, conservation and management. This might include, as appropriate, Kalabagh Dam, Lakhra, and other nationwide energy efforts. AID will retain and further develop energy policy/think tank capabilities but increasingly move these under Pakistani control. A strong effort will be made to create and expand a major role for the private sector in the development of Pakistan's energy resources oil, gas, coal, and water.

- Agriculture: AID should concentrate on productivity and production. Support will continue for agricultural research and water management but focus on improving on-farm productivity. Efforts to bring about institutional changes in the irrigation departments may shift to performance goals. Support for research will be less centralized, serve a wider audience and encompass the private sector's role in product development, innovative technology and extension.

- Health and Population: AID's emphasis is expected to shift to a large, visible national program addressing child survival problems. AID also hopes to help the government decentralize control over rural health care units and to experiment with local-level financing. We will examine how to improve malaria control efforts and possibly expand these to control of other communicable diseases. The population program, with a much increased private sector role will merit strong support.
- Education and Training: The Mission is carrying out a major primary education assessment this spring. The new government has given mass education a very high priority, and some increasing funding for the sector is beginning to appear. The large training program has been extremely valuable and we expect it to grow even further, possibly incorporating research to support Pakistan's broad public and private sector policy agenda. We will actively seek ways to support women's development.
- Private Sector: Beyond the planned CFIC project and aggressive advocacy of the private sector role throughout our program - and that of the MDBs, we will examine ways to employ AID funds to support improved domestic resource mobilization, divestment of state owned enterprises, and liberalization of regulatory procedures.
- Narcotics: AID will continue to support the narcotics reduction program, preferably through an increasingly multilateral program.
- Modalities: The Mission expects to use programmatic modes such as CIPs, PL 480, and cash transfer (budget support or sector loans/grants with performance-related disbursements), to provide large, fast-disbursing resources in support of agreed policy reform achievements. We also expect to augment selected ongoing projects and add some new ones to achieve our program objectives.

PART II Performance and Plans

A. Programmatic Objective, Benchmarks, and Performance

Detailed in the following sections are the Mission's FY 85, 86 and 87 benchmarks against which program and project progress should be measured. It should be noted that FY 85 and FY 86 benchmarks were never previously formally stated - at least not in the fashion requested in the guidance. Generally the Mission's CDSS retains its analytical validity.

Macroeconomic Objectives

*Objective: Increase Domestic Resource Mobilization: Benchmark: Study tariff reform in 1986 and begin implementation in 1987. Benchmark: Eliminate budget subsidies for wheat flour, edible oil, and fertilizers by end 1987. Benchmark: Electricity tariffs rationalized to cover 40 percent of WAPDA's 1987 investment budget.

*Objective: Greater Liberalization of Policies and Procedures to Facilitate Private Investment: Benchmark: Establish rules for private financial companies in 1986. Benchmark: In 1986 expand CIP private sector windows to American and other banks. Benchmark: Investment sanctioning process reviewed and reformed by end 1987.

Agriculture Objectives

*Objective: Maximum Reliance on Farm Input and Output Market Forces: Prior Benchmarks: Establish Directorate of Agriculture Policy and related economic analysis network. Policy study on fertilizer completed and unrestricted private sector importation of edible oil. Note: The GOP still restricts edible oil imports. A Cabinet decision is awaited on the Deregulation Commission's

recommendation. Benchmark: Private sector share of fertilizer distribution increased from 50% to 60 % in 1986. Benchmark: Complete deregulation of the edible oil industry by end 1987.

*Objective: Improved Integration of Agricultural Education, Research and Extension:

Prior Benchmark: TIPAN project agreement approved. Benchmark: Agriculture research and education in the NWFP merged by end 1986. Benchmark: Prioritized, country-wide, agricultural research plan agreed to in 1987.

*Objective: Improved Delivery and Utilization of On-Farm Water: Prior Benchmarks:

Provincial management offices established in seven command areas, and 10 rehabilitation schemes completed with 54 under implementation. Benchmark: Studies completed during 1986 on drainage, water course cost recovery, private sector involvement, and precision land leveling. Benchmark: Water rate charges increased to cover over 50 percent of irrigation O&M costs by end 1988.

Energy Objectives

*Objective: Increased Availability of Energy: Prior Benchmarks: Energy Planning

Office established in Ministry of Planning, thermal power efficiency program designed for WAPDA and KESC, and national energy conservation program drafted.

Benchmark: Explicit GOP pricing policies developed during 1986 to buy privately produced power. Benchmark: Major rehabilitation programs for existing generation and distribution facilities agreed to in 1986.

*Objective: Identify and Develop Indigenous Energy Resources Primarily in the

Private Sector: Prior Benchmarks: Increases in electricity tariffs, GOP endorsement of private sector participation in coal power generation, and completion of various feasibility studies for Lakhra power plant and coal mines. Note: Completed Lakhra

studies delayed until 1986 due to changes in power plant size. Benchmark: In 1986 GOP contracts for private sector exploration and development of onshore natural gas fields. Benchmark: ENERCON staffed and functioning during 1986.

Social Sectors

*Objective: Reduce Infant Mortality Rate 25 Percent by 1993: Prior Benchmarks:
Develop integrated rural health complexes and construct medical technician training schools. Note: Contract delays in 1985 postponed some school construction.
Benchmark: Medical technician curriculum revised to focus on prevention in 1986.
Benchmark: National child survival campaign planning initiated by end 1986.

*Objective: Total Fertility Rate Reduced to 5.0 Percent by 1993: Prior Benchmark:
Contract private firm for social marketing of contraceptives. Benchmark: Strong GOP support of public and private sector population programs. Benchmark: Family planning services incorporated into the rural health delivery system during 1986.

*Objective: Reduce the Burden of Preventable Disease on the Productive Population:
Prior Benchmarks: Improve Malaria spraying operations and relevance of the International Center for Malaria Research and Training. Benchmark: In 1986 integrate vertical immunization program into regular health service. Benchmark: Develop alternatives to insecticides use for malaria control by 1987.

*Objective: Upgrade Leadership and Management Across Sectors: Prior Benchmark:
Place over 400 participants in FY 1985. Benchmark: The Ministries of Science and Technology and Education agree to increase overseas degree training in 1986.
Benchmark: Greater GOP support for private sector training in 1986. Benchmark: Substantial increase in training of women during 1987.

Special Objectives - Lagging Areas

*Objective: Eliminate Existing Opium Poppy Production: Prior Benchmarks: Implement agriculture, infrastructure and off-farm employment activities in Gadoon-Amazai area. Benchmark: Continued GOP eradication program for opium poppy production in 1986. Benchmark: Increase support for eradication efforts utilizing economic alternatives to poppy production during FY 1986.

*Objective: Strengthen Development Administration in NWFP Tribal Areas: Prior Benchmarks: Placement of technical advisors for implementing road and water resources infrastructure. Benchmark: GOP/Tribal relations maintained on stable level in 1986 and later years. Benchmark: 1986 contract award for construction of three roads and design of irrigation schemes.

*Objective: Accelerate Integration of Baluchistan's Makran Division into Economic Mainstream of Pakistan: Prior Benchmarks: Contracts placed for technical assistance and A/E for road and water resource development. Benchmark: During 1986, construct Turbat Headquarters Complex, design the 55 km Bela Awaran road and the Ketch river bridge. Benchmark: Design in 1986 special undergraduate/graduate program for students in the backward Makran area.

B. Actions for FY 1987

The following are policy and project implementation actions, and evaluation/study activities to meet the Mission's programmatic objectives in FY 1987.

Macroeconomic Objectives

*Increased Domestic Resource Mobilization: The Commercial Funding and Investment

Corporation will begin attracting additional foreign private capital (PD/PS/IB). Federal and Sind maintenance policy (PD/IB) will begin to address recurring cost budgeting. Mission will not support MDB sector credit loans unless accompanied by GOP measures to address mobilization issue (PD).

*Greater Liberalization of Policies and Procedures to Facilitate Private

Investment: Mission will support MDB sector loans predicated upon GOP action to reform tariffs and investment approval process (PS). GOP will clarify policy for energy procurement from the private sector (PD/PS).

Agriculture Objectives

*Maximum Reliance on Farm Input and Output Market Forces: Ten economic and policy analyses (PD/PS) initiated under FSM. Evaluation of the ACE program's policy impact in fertilizer and determine future policy focus of program (PD/PS).

*Improved Integration of Agricultural Education, Research and Extension: MART will support five farming systems studies (PD), and eight research administration, evaluation, and financial planning workshops (IB); the GOP will approve crop specific and arid land research plans (IB). TIPAN construction of training buildings will begin at the NWFP agricultural college. The curriculum will be completely revised (TT/IB). Plant 1200 acres of trees under FPD (TT), approve a country-wide forestry research plan and set up four provincial training centers. (TT/IB).

*Improved Delivery and Utilization of On Farm Water: Under ISM, implement water management plans in each command area (IB) and establish water user associations in 25 percent of command areas (IB/PS). An OFWM Water Course Maintenance study will be completed and four provincial training centers will be opened (IB/TT). The

Mission will continue to support MDB irrigation loans conditioned on government actions regarding water rates and O&M cost recovery (PD/IB).

Energy Objectives

*Increased Availability of Energy: Lakhra Power and Coal Mining PP will be approved (PP/TT/IB/PD). WAPDA will establish a separate power distribution authority (PD/IB). Coordinate and develop multi-donor financing for generation and distribution rehabilitation projects (TT/IB).

*Identify and Develop Indigenous Energy Resources Primarily in the Private Sector:

ENERPLAN will finalize the GOP's seventh Five Year Energy Plan for 1988-1993 (PD/IB). ENERCON will obtain legislation encouraging energy conservation and conduct private sector energy audits (PD/TT/IB/PS). The national coal assessment Program will complete assessment work in the Lakhra and Sondha-Thatta fields (IB/TT).

Social Sector Objectives

*Reduction of Infant Mortality Rate 25 Percent by 1993: The Mission will reorient health assistance toward child survival objectives; analyze management problems in rural health services, strengthen surveillance and data analysis, and explore private sector operations (PD/IB/TT/PS). The GOP will design a major program to affect child survival (IB/PD).

*Total Fertility Rate Reduced to 5.0% by 1993: Under PWP, the GOP will incorporate family planning services into over 3,000 Ministry of Health facilities (IB), and intensify population-related research in the National Institute for Population Studies (PD/IB). SMC will support nation-wide contraceptives sales (PS); and

promote a mass media campaign for smaller families and family planning (PD/IB).

*Reduce the Burden of Preventable Disease on the Productive Population: New malaria control strategies will be tested (TT). Incentives will be established for health professionals to focus on preventive health care (PD/IB). Interventions will be explored to reduce mortality from tuberculosis, gastroenteritis and malaria (IB/TT).

*Upgrade Technical Leadership and Management Across Sectors: DST will expand training opportunities by 50 percent and provide more emphasis on private sector for both men and women (TT/IB/PS).

*Narcotic Elimination: Complete enforcement of the ban on poppy cultivation in all areas of the Gadoon-Amazai. Complete 2 major roads, establish a health centre, and install tubewells for irrigation and community water (PD/IB/TT).

*Strengthen Development Administration in NWFP Tribal Areas: Complete 3 roads, 12 irrigation works and 13 schools; electrify 16 villages, implement ground water surveys and organize a region-wide tube-well drilling program (IB/TT).

*Accelerate Integation of Baluchistan's Makran Division into Economic Mainstream of Pakistan: Construct 30 small irrigation works, and the Ketch river bridge. Continue work on the Bela Awaran road. At least 20 Makran students will be receiving AID scholarships (IB/TT).

C. Narrative

The recent change from martial law to a democratic form of government and associated changes at senior levels in the government may affect the pace of our policy dialogue.

Within the agriculture portfolio two projects, Forestry Planning and Development and Management of Agricultural Research and Technology, have experienced notable difficulties. In the former, lengthy delays in the GOP project approval process put the project approximately 16-18 months behind schedule. In the latter case, identifying suitable technical assistance sources and negotiating contracts because an unexpectedly long and complex process. These problems have finally been overcome and both projects are proceeding normally.

In the energy sector, the Rural Electrification project's component to expand the electricity distribution network has been suspended because of the nationwide shortfall in generation capacity. An evaluation this spring will give us views on possible reprogramming to increase electricity generation capacity under the existing project. The Lakhra project is now scheduled for FY 1987 obligation after delays mainly due to the requirements for complicated studies.

In health, generally the government is receptive to the idea of moving from a predominantly curative health delivery system to a prevention-based system but this remains to be reflected in policies and actions at the working levels of the Federal and Provincial governments. A.I.D. efforts will encourage this through child survival and ORT programs.

Three projects in the portfolio offer unusually severe management problems stemming from their objectives and the difficult geographical and cultural areas in which they operate. The Tribal Area Development Project is designed to bring remote areas of the NWF Province into the national civil and political framework of Pakistan. The project brings into conflict tribal customs and practices and commonly accepted government and business practices in regard to construction. In Baluchistan, the Area Development Project will shortly bring roads, schools and improved irrigation to the Makran district. There are very hostile external political forces intent on deterring the Pakistan and U.S. governments from bringing Baluchistan more into the mainstream of Pakistani life. The NWF Area Development Project is enjoying satisfactory progress for the moment. The project,

however, forms part of larger efforts to eradicate the cultivation of opium poppies. If enforcement falters, the A.I.D. project will suffer irrespective of its success or failure in putting beneficial physical and social infrastructure in place.

A host of coordination and management issues and procedures slows the implementation not only of A.I.D.'s projects but also of those of all other donors. Coordination and management between federal and provincial agencies are almost always problems because of differing perceptions and priorities. Approvals for project design, budget cover, equipment specifications, consultants and participant trainees are complicated, time consuming and often difficult to achieve. The GOP and several major donors, primarily A.I.D. and the World Bank, two years ago established an implementation task force to address these problems. As a result a few have been resolved and a few more are being actively addressed. For example, the GOP recently agreed with us to shorten and simplify the approval process for project-funded trainees. Also, particularly acute funding and management problems plaguing several A.I.D. projects have been resolved through high level intervention by the Ministry of Finance and Planning.

PART III -- Special Considerations

A. Financial Issues And Anticipated Actions

Pipeline and Pipeline Aging -- By the end of FY 1985, the Mission's pipeline was \$505 million. This had dropped to \$467 million by December 31, 1985, although this reduction related more to the lack of obligations in the first quarter than it did to an increase in the pace of expenditures. The Mission has undertaken an intensive review of project expenditures against scheduled expenditures, the latter extending for each project from the time of initial obligation until PACD. The conclusion is that expenditures are only about \$100 million behind schedule. Of this, some \$30 million to \$40 million represents implementation problems. The

balance of \$60 million to \$70 million is largely from delays and slippages beyond A.I.D. control but not critical to project success; the rest of the pipeline at the end of FY 1985 showed 50 percent or \$250 million was in FY 1985 obligations with another 32% or \$160 million from FY 1984. Only 18% was from prior years, which is not a significant problem. The bulk of the pipeline was obligated in the last two years and does not as yet reflect a serious problem.

Mortgage -- The Mission's current portfolio of projects contains authorized and planned ESF and DA obligations for FY 1986 and FY 1987 totaling \$558.25 million. Within this amount in the current program, three new projects, i.e. Lakhra Coal, CFIC, and Roads Resources Management are anticipated to be authorized for a total of \$186 million. As of Feb. 1, 1986, \$15.9 million has been obligated in FY 1986 funding. This sum, with the existing mortgage, will account for the remaining two year OYB without the need for other new projects. Beyond FY 1987, \$55 million has been authorized for ongoing projects, including \$5 million for the yet to be authorized Roads Resources management project.

Planned Obligations By Month

FY 1986

| <u>Month</u> | <u>Project</u> | <u>Amount</u> |
|--------------|---|---------------|
| January | Energy Planning and Development | 10.9 |
| | NWFP Area Development | 5.0 |
| February | Baluchistan Area Development | 17.5 |
| | Food Security Management | 20.0 |
| | Development Support Training | 8.5 |
| | TIPAN | 10.0 |
| March | Management of Ag. Research & Technology | 10.0 |
| | NWFP Area Development | 8.8 |
| | Agricultural Commodities and Equipment | 39.0 |
| | Primary Health Care | 6.5 |
| | Malaria Control II | 5.5 |
| | Forestry Planning and Development | 8.0 |
| | Social Marketing of Contraceptives | 7.2 |
| May | Rural Electrification | 31.5 |
| | Population Welfare Planning | 18.75 |
| | Road Resources Management | 1.1 |
| June | Energy Commodities and Equipment | 39.0 |
| July | Commercial Funding Investment Corporation | 16.0 |
| | | <u>263.25</u> |

FY 1987

| <u>Month</u> | <u>Project</u> | <u>Amount</u> |
|--------------|---|---------------|
| December | Irrigation System Management | 22.1 |
| | Project Design and Implementation Fund | 3.3 |
| | Development Support Training Project | 6.5 |
| February | Population Welfare Planning | 6.5 |
| | Rural Electrification | 12.5 |
| | Forestry Planning and Development | 7.0 |
| | Food Security Management | 8.0 |
| April | Tribal Area Development Project | 9.0 |
| | Baluchistan Area Development | 11.4 |
| | Road Resources Management | 33.9 |
| | Commercial Funding Investment Corporation | 5.0 |
| | Social Marketing of Contraceptives | 4.3 |
| | TIPAN | 10.5 |
| | MART | 10.0 |
| June | Lakhra Coal Power Generation | 125.0 |
| | | <u>275.0</u> |

DEOB/REOB Plans for FY 1986

The Mission has carefully examined the ongoing portfolio and has no candidates for deob/reob during FY 1986.

B. FY 1985, FY 1986 AND FY 1987 EVALUATION PLAN

The Mission will continue to stress the importance of evaluations in improving policy, strategy, program development and portfolio implementation. Each scope of work will have a clearly stated purpose which describes in detail the specific reasons for the evaluation and contribution to the Mission effort. The following plan addresses only formal external evaluations planned for the period under discussion. Informal monitoring and data gathering efforts and in-house evaluations with the GOP and concerned agencies will also continue and increase slightly. This plan will cover evaluations planned for initiation and completion during FY 1986 and FY 1987. The major focuses of these evaluations will be implementation, design, balance of payments support, policy dialogue, involvement of the private sector and funding issues.

Evaluations Completed FY 1985

| | | |
|--|---|---------------------|
| Population Welfare Planning (391-0469) | I | Ist |
| Irrigation System Management(391-0467) | I | 2nd |
| Project Design Fund (391-0470) | S | 3rd In house Review |

No evaluations are currently scheduled which will impact upon projects under

design. Evaluation findings to date have reinforced the objectives and assumptions of the Mission's current CDSS. Based upon evaluation findings the TADP (391-0471) and PHC (391-0475) are under review for substantive project redesign.

USAID/PAKISTAN EVALUATION PLAN FOR FY 1986

| <u>QUARTER</u> | <u>PROJECT NO./TITLE</u> | <u>TYPE OF EVALUATION</u> | <u>STATUS</u> |
|----------------|---------------------------------------|---------------------------|------------------------|
| 1 | 391-0475 Primary Health Care | Interim | Completed. |
| 1 | 391-0471 Tribal Areas Dev. | Interim | Completed. |
| 1 | 391-0472 Malaria Control II | Special | Completed. |
| 1 | 391-0474 Development Support Training | Interim | Completed. |
| 1 | 391-0473 Rural Electrification | Interim | SOW under preparation. |
| 3 | 391-0485 NWFP Area Dev. | Interim | SOW under preparation. |
| 4 | 391-0472 Malaria Control II | Interim | Planned. |

Purpose and Areas of Investigation: Assess project activities with emphasis on Procurement of insecticide and project efficiency. Progress towards improvement of Passive Case Detection activities, modifications to the Active Case Detection systems, promotion of voluntary collaboration in the PCD system and coordination between donor agencies will also be investigated.

USAID/PAKISTAN PROVISIONAL EVALUATION PLAN FOR FY 1987

| <u>QUARTER</u> | <u>PROJECT NO./TITLE</u> | <u>TYPE OF EVALUATION</u> | <u>STATUS</u> |
|----------------|---|---------------------------|---------------|
| 1 | 391-0466 Energy Commodities & Equipment | Interim | Planned |

Purpose and Areas of Investigation: Assess overall project implementation and focus on: rapidity of disbursements; examination of rejected loan applications and the commodities requested; adequacy of financial and administrative procedures; Performance of banks in terms of compliance with GOP and AID requirements.

| | | | |
|---|-----------------------------------|---------|---------|
| 3 | 391-0481 Forestry Planning & Dev. | Interim | Planned |
|---|-----------------------------------|---------|---------|

Purpose and Areas of Investigation: The evaluation will focus on: assessing the adequacy of the level of staffing in the office of the Inspector General of Forest; development and implementation of a farm forestry curriculum and research plan at the Pakistan Forest Institute; effectiveness of the monitoring and evaluation system established to collect data and evaluate progress, and the effectiveness of federal and provincial coordinating mechanisms.

| | | | |
|---|-----------------------------------|-------|---------|
| 3 | 391-0413 On Farm Water Management | Final | Planned |
|---|-----------------------------------|-------|---------|

Purpose and Areas of Investigation: Assess progress in implementing institutional improvement including institutional relationships, policy implications, effectiveness of Water Users Associations, and effectiveness of technical assistance and training.

| | | | |
|---|-------------------------------------|---------|---------|
| 4 | 391-0468 Ag Commodities & Equipment | Interim | Planned |
|---|-------------------------------------|---------|---------|

Purpose and Areas of Investigation: Evaluation will focus on final utilization of imported commodities. Site checks will enable the evaluation team to see equipment being used and check records of commodities procured. The evaluation will look at the private sector window/component of this project and assess the rapidity of disbursement, performance of banks, examination of rejected loan applications and adequacy of financial and administrative procedures. It will also evaluate current fertilizer pricing and distribution policies.

4 391-0472 Malaria Control II Special Planned

Purpose and Areas of Investigation: Examine field operations and progress toward meeting policy and operational benchmarks. Assessing incidence of chloroquine resistance malaria and providing recommendations for FY 87 spraying season including type and amount of insecticides will also be included.

c. PL-480

In accordance with instructions this section deals with FY 1988. The PL 480 Title I program will continue at a \$50 million or possibly higher level for edible oils in FY 1988. Commercial edible oil imports are the second most costly imported item. Title I self-help measures to deregulate the edible oils market will increase domestic private sector production. Local currency generation supports GOP population planning, education, irrigation and agricultural research activities.

d. Work Force The current program is highly staff intensive. USAID/Pakistan has relied heavily on contractors, TDYs and qualified FSN staff to carry it through the heavy design period. These resources are now devoted to implementation. The size and scope of the program will continue to require the current 43 full-time USDH staff. A Post-FY 1987 program which emphasizes policy dialogue and performance targets will require some staffing reorganization and skill requirements will change.

| | USAID Pakistan Staffing | | | | | | |
|---------|-------------------------|---------|-----|-------|------|--------|---------|
| | PT USDH | PT USDH | IDI | USPSC | PASA | FSN DH | FSN PSC |
| FY 1985 | 43 | 2 | 1 | 9 | 2 | 34 | 266 |
| FY 1986 | 43 | 2 | 1 | 10 | 2 | 34 | 266 |
| FY 1987 | 43 | 2 | 0 | 10 | 2 | 34 | 266 |

E. GRAY AMENDMENT REQUIREMENT: From FY 1984 to FY 1987 the Mission will obligate \$99 million of Development Assistance funds. To meet the ANE's goal, the Mission will contract with 8(a) firms for 10 percent of this level or \$9.9 million. To date actual commitments are \$8.9 million. However, planned commitments through FY 1987 total \$10.2 million.

| | <u>Actual</u> <u>FY 84</u> | <u>Actual</u> <u>FY 85</u> | <u>Actual</u> <u>FY 86</u> | <u>Planned</u> <u>Remainder</u> <u>FY 86</u> | <u>Planned</u> <u>FY 87</u> |
|-------------|-------------------------------|-------------------------------|-------------------------------|--|--------------------------------|
| Total: | 3.8 | .7 | 4.4 | .8 | .5 |
| Cummulative | 3.8 | 4.5 | 8.9 | 9.7 | 10.2 |

The Mission has established and follows vigorous internal screening procedures to increase its utilization of Gray Amendment organizations.

F. Budget Tables

DEVELOPMENT ASSISTANCE, ECONOMIC SUPPORT FUND AND PL 480
BUDGET SUMMARY - FY 1986 & FY 1987 (\$000)

| <u>Project No. and Title</u> | | <u>Loan/Grant</u> | <u>FY 1986</u> | <u>FY 1987</u> |
|-------------------------------|------------------------------------|-------------------|----------------|----------------|
| <u>DEVELOPMENT ASSISTANCE</u> | | | | |
| 391-0468 | Agr. Commodities & Equipment | L | 2500 | |
| 391-0469 | Population Welfare Planning | G | 6500 | 6500 |
| 391-0474 | Development Support Training | G | | 6500 |
| 391-0475 | Primary Health Care | G | 6500 | |
| 391-0488 | TIPAN | G | | 8500 |
| 391-0489 | Mgt. of Ag. Research & Technology | G | 8500 | 3500 |
| | Total DA Programmed: | T | <u>24000</u> | <u>25000</u> |
| | | L | 2500 | |
| | | G | 21500 | 25000 |
| <u>ECONOMIC SUPPORT FUND</u> | | | | |
| 391-0467 | Irrigation System Management | G | | 22100 |
| 391-0468 | Agr. Commodities & Equipment | T | 36500 | |
| | | L | 26500 | |
| | | G | 10000 | |
| 391-0469 | Population Welfare Planning | G | 12250 | |
| 391-0470 | Project Design Implementation Fund | G | | 3300 |
| 391-0471 | Tribal Areas Development | G | | 9000 |
| 391-0472 | Malaria Control | G | 5500 | |
| 391-0473 | Rural Electrification | T | <u>31500</u> | <u>12500</u> |
| | | L | 27000 | |
| | | G | 4500 | 12500 |

| | | | | |
|----------|--|---|---------------|---------------|
| 391-0474 | Development Support Training | G | 8500 | |
| 391-0478 | Energy Planning & Development | G | 10900 | |
| 391-0479 | Baluchistan Area Development | G | 17500 | 11400 |
| 391-0480 | Road Resource Management | G | 1100 | 33900 |
| 391-0481 | Forestry Planning & Development | G | 8000 | 7000 |
| 391-0482 | Commercial Funding & Investment Corpn. | L | 16000 | 5000 |
| 391-0484 | Social Marketing Contraceptives | G | 7200 | 4300 |
| 391-0485 | NWFP Area Development | G | 13800 | |
| 391-0486 | Energy Commodities & Equipment | T | <u>39000</u> | |
| | | L | <u>15000</u> | |
| | | G | 24000 | |
| 391-0487 | Lakhra Coal Power Generation | T | | <u>125000</u> |
| | | L | | <u>87000</u> |
| | | G | | 38000 |
| 391-0488 | TIPAN | G | 10000 | 2000 |
| 391-0489 | Mgt. of Ag. Research & Technology | G | 1500 | 6500 |
| 391-0491 | Food Security Management | G | <u>20000</u> | <u>8000</u> |
| | Total ESF Programmed: | | <u>239250</u> | <u>250000</u> |
| | Loan | | <u>84500</u> | <u>92000</u> |
| | Grant | | <u>154750</u> | <u>158000</u> |
| | Total Amount Programmed: | | <u>263250</u> | <u>275000</u> |
| | Loan | | <u>87000</u> | <u>92000</u> |
| | Grant | | <u>176250</u> | <u>183000</u> |
| | PL 480 Title I | L | 50000 | 50000 |
| | Grand Total (DA, ESF and PL 480) | | 313250 | 325000 |

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