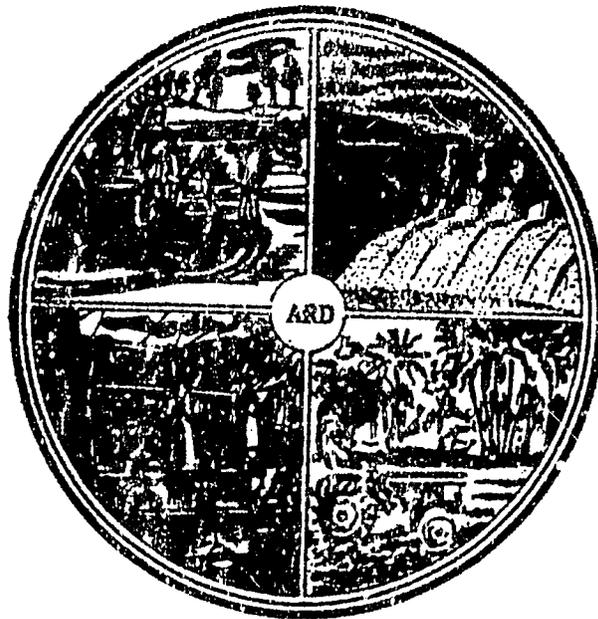


PA-AY-892  
10/5/85

**Office Of  
AGRICULTURE  
AND  
RURAL DEVELOPMENT**

**USAID / PAKISTAN**



**BRIEFING PAPER**

October 1985.

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USAID Support for Agricultural Development in Pakistan

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Map of Pakistan

\*This briefing paper is for informational purposes only and does not necessarily represent the official views of AID.

## USAID SUPPORT FOR AGRICULTURAL DEVELOPMENT IN PAKISTAN

### I. Introduction

Agriculture is the single largest sector of Pakistan's economy. It employs more than half the country's work force and contributes more than one-fourth of its GNP. Pakistan's industry depends on the nation's farms for its raw materials. Directly or indirectly, the sector accounts for about two-thirds of Pakistan's export earnings. At an international level, Pakistan is the third largest exporter of rice (after the U.S. and Thailand) and is also a leading exporter of cotton.

Impressive as these figures are, agriculture could contribute much more to Pakistan's economy. The agricultural growth rate of about 3% annually compares unfavorably with national GDP growth rates of 6% for the economy as a whole. Most of the gains that have occurred are the result of increasing acreage and cropping intensity. Yields in Pakistan remain among the lowest in the world. Even for new varieties, productivity is well below that achieved under comparable conditions in other countries.

To help Pakistan realize its tremendous agricultural potential, the USAID program in Pakistan is seeking to:

- Increase food production by improving agricultural research, education, and extension services; providing needed agricultural supplies and equipment; and upgrading irrigation systems throughout the country.
- Improve Pakistan's food security by upgrading agricultural data collection and policy analysis and by improving crop storage facilities.
- Introduce "tree farming" on underused rural lands to provide rural and urban dwellers inexpensive wood fuel, fodder, and other tree products without further depleting Pakistan's forests.

All these efforts are priorities under the Sixth Five Year Plan (1983-1988), which aims to develop Pakistan's immense agricultural potential and create a dynamic agricultural export industry.

## II. Food Production

Increasing the productivity of Pakistan's farms requires better farming research and education, better fertilizers and equipment, and more dependable irrigation systems. USAID is assisting Pakistan in meeting these needs.

### A. Research and Education

In the past, the research contribution of existing institutions has often been fragmented and diffused because of poor research planning, few career incentives, and unreliable information flow. To overcome these hindrances, USAID-funded Pakistani and American specialists are analyzing such problems as how agricultural research topics are approved, how projects are conducted and financed, and how the results are disseminated.

There is also a need to link research findings to the farmer. Simplifying the presentation and gearing publications more to the intended audience can do much to help put research findings into practice. USAID is therefore supporting the establishment of a fully equipped multi-media studio to create documentaries, training tapes, and other programs in styles appropriate to various audiences.

Even as the program works on overall research techniques, it also focuses on individual agricultural problems. Despite impressive increases in maize and wheat production, for instance, a large gap continues to exist between potential and actual production. USAID and Pakistan's National Coordinated Wheat and Maize programs are investigating why this is so and seek to increase production of these important crops.

Two particular areas have special research and education needs: Baluchistan and the North West Frontier Province. To significantly increase overall yields in Pakistan, these provinces must work up to their full potential.

The Arid Zone Research Institute (AZRI) in Quetta is investigating ways to increase crop production in dry, high-altitude areas like Baluchistan. USAID-financed technical assistance, in-country and overseas training, and equipment are giving AZRI a sounder base from which to upgrade Baluchistan's agriculture.

Although agriculture dominates the North West Frontier Province's economy, most yields there fall below the national average. Education and improved technology could substantially improve these yields, but they are hindered by too few well-trained

agriculturalists and a lack of institutional interest in farmers' individual problems. To change this, a USAID-funded project has been started to help the NWFP Agricultural University at Peshawar and the province's various research programs create a modern, integrated system oriented toward solving regional farming problems.

#### B. Commodities and Equipment

Education can produce little unless farmers have the supplies to put their learning to work. While Pakistan produces sufficient nitrogen-based fertilizer for its needs, it must import most of its phosphatic fertilizer. USAID is therefore financing the importation of diammonium phosphate (DAP) and triple super phosphate (TSP). For the 1984 crop year, it supplied 94,000 metric tons of DAP and 24,000 metric tons of TSP, respectively one-fourth and one-half Pakistan's total annual requirement for these fertilizers. Large amounts of agriculture-related equipment is also being purchased under the program.

#### C. Irrigation

Even the best trained farmers with modern equipment cannot produce bumper crops without water. In Pakistan, yields per acre remain low. For many crops, average yields are less than those achieved by other countries under rainfed conditions. Frequently farmers cannot get all the water they need when they need it.

To ensure a dependable, well-managed water supply, USAID is moving in several directions. First, it is helping the Government of Pakistan finance the rehabilitation and maintenance of 8,400 miles of canals and 2,100 miles of drains - about 30 percent of all Pakistan's canals and drains. To do this, it is also providing to Pakistan's provincial irrigation departments technical assistance as well as earthmoving and other equipment to fix, operate and maintain the canals.

Second, USAID is helping improve overall institutional management skills at both the federal and provincial levels. Officials of the organizations responsible for planning, operating, and maintaining the world's largest irrigation system are well trained and technically competent. But their effectiveness has been constrained by outmoded management techniques. To remedy this, provincial irrigation departments are being given substantial management training. A management information system is also being established to generate and disseminate information needed to make management decisions. At the federal level, USAID is helping the Water and Power Development Authority (WAPDA) coordinate water policies and storage supplies. This assistance includes expanding and applying a water management computer modeling system to monitor total water supplies and scheduled distribution.

Most of these irrigation efforts are centered on government institutions. It has long been clear, however, that to repair and maintain a system as large as Pakistan's the government must rely heavily on the farmers themselves. In 1976, a USAID pilot project started teaching farmers how to improve watercourses, the small canals that feed their fields. By the end of 1981, the project had improved 1,300 watercourses, precisely leveled 75,000 acres of land to improve water use, and established at least 50 field teams and 80 water users associations to keep these efforts going.

This innovative program has since been copied by development organizations around the world. Its success in Pakistan led USAID to commit another \$10 million to the project, this time concentrating primarily on institutional and manpower development. Technical advisors are helping provincial and federal managers of the watercourse program improve their skills, technology, and quality control. The project is also studying what role local councils could play in delivering water management services. As it does so, it continues to improve more watercourses and to establish water users associations.

### III. Food Security

Pakistan's growing population is consuming more of the nation's food even as the government hopes to build crop surpluses for increased exports. At the same time, considerable amounts of food are eaten by pests during storage. To plan the food and production required to answer these growing needs and to protect crops once they are harvested, Pakistan needs to improve its food management and planning practices and build better storage facilities.

Doing this requires reliable, up-to-date crop data and sound economic and policy analysis based on those data. USAID is therefore helping modify the existing statistics collection system to make it more accurate and efficient. It is also working with the Government of Pakistan to establish a new Economic Analysis Network, bringing together public, private, and quasi-autonomous institutions in a semi-formal association. Such a network should help federal agencies acquire the analyses they need to make decisions and will increase the capacity of Pakistan's institutions to conduct these analyses.

Food loss at Pakistan's public storage bins is four to five times the average in other countries. Both management and buildings need updating. Technical assistance teams are being funded to teach facility managers better quality and inventory control, financial and cost accounting, operation and management of the physical plant, and employee management. Meanwhile, USAID plans to rehabilitate storage facilities for 750,000 tons of grain and develop a more effective pesticide program for each storage bin.

#### IV. Forestry

Many Pakistanis, both urban and rural, depend on trees as a source of fuel, fodder, and small, everyday timber products. But the nation's forest lands cannot supply even current demand; the country is consuming its scarce timber faster than it can grow new trees. One answer is "tree farming," a plan that shows farmers how to produce wood fuel and timber products--for themselves and for market --on their underused farm land. The USAID-funded Forest Planning and Development Project takes a three-pronged approach.

First, the program focuses on institutional development. It will help the federal Office of the Inspector General of Forests prepare a national forestry development plan to motivate, organize, and coordinate provincial tree farming efforts. Similar planning and management guidance to the provincial forestry departments should allow the departments to develop and execute all their programs, including tree training.

Second, it is giving new direction to Pakistan's forestry research. Together, the Pakistan Agricultural Research Council, the Pakistan Forest Institute, and USAID plan to investigate the economics of tree farming and the design and yield of farm forestry systems. They are also increasing the selection and testing of seeds for multi-purpose, fast growing tree species for introduction into Pakistan. Such research should increase farmers' acceptance of the tree farming principle.

Finally, the technical and social feasibility of growing trees as crops on private farmland in Pakistan is to be tested. Programs are planned to get farmers interested in growing trees and give them on-the-job training. Privately owned seedling nurseries to produce and sell planting stock for farm fuelwood will also be established.

#### V. Policy Dialogue Issues

All ARD projects reflect an active concern for policy dialogue and support agricultural policy changes that will improve the performance of the economy as a whole. This is done within the framework of the design and implementation of individual projects and as an adjunct to the Mission's agricultural commodity import and PL-480 programs. The ARD project and program portfolio seeks to improve host country institutions, increase private sector participation in the economy, stimulate technology transfer, and eliminate agricultural subsidies and marketing constraints, thereby facilitating a more effective utilization of scarce resources.

The USAID agricultural policy dialogue with the GOP has been constructive. Increases have been made in the private sector's share in fertilizer distribution and fertilizer subsidies have been reduced over the past five years. In addition, the edible oil retail price subsidy has decreased. Faced with a deteriorating balance of payments situation and declining remittances from Pakistanis working abroad, the new government is publically discussing the need for industrial deregulation and denationalization, rationalization of existing price controls, and methods to increase tax revenues. By providing timely analytical support, USAID facilitated the GOP identification of, and the decision to implement, the aforementioned policies.

USAID has been pursuing policy dialogue with the GOP in developing healthy and self-sustaining fertilizer and edible oil industries. Both sectors require major government subsidies (\$265 million per annum) and the prognosis for future requirements is calamitous if current policies are continued. ARD has conducted three major studies of these two industries. The studies' conclusions support privatization of marketing, distribution, and manufacture of both commodities and call for substantial reduction of government controls and regulations.

Increased farmer and private sector management of irrigation water distribution is a major policy goal of ARD's Irrigation Management and On-Farm Water Management projects. The Forestry Development project will increase the production of fuelwood on privately owned lands to reduce reliance on fossil fuels and to mitigate the deleterious effects of deforestation. The Food Security Management project will establish and finance an indigenous economic analytical network to conduct analyses in support of the government's agricultural policy making process.

These activities will be supported and strengthened by a series of infrastructure development and institution building programs to provide a well trained cadre of professional managers, a timely and accurate agricultural data collection and reporting system, and a strong system of research, training and extension facilities. Management of Agricultural Research (MART) and Transformation and Integration of the WFP's Provincial Agricultural Network (TIPAN) are structured to promote institutional reform on those processes affecting the overall research and education system.

## ANNEX ONE: Selected Statistics

Table One: Structure of Employment and GDP by Sector, 1983-1984

<u>Sector</u>	<u>Employment (% Share)</u>	<u>GDP (% Share)</u>
Agriculture	51.9 %	25.9 %
Manufacturing	14.9	19.4
Others	33.2	54.7

Table Two: Utilization of Land, 1982-1983 (Million Hectares)

<u>Total Area</u>	<u>Forest Area</u>	<u>Cropped Area</u>	<u>Irrigated Area</u>
79.61	2.81 (3.5 %)	20.11 (25.3 %)	15.54 (19.5 %)

Table Three: Distribution of Major Cropped Areas, 1959-1960, 1969-1970 and 1982-1983

<u>Crop</u>	<u>1959-1960</u>	<u>1969-1970</u>	<u>1982-1983</u>
Food Grains	54.8 %	58.3 %	61.0 %
Cash Crops	12.1	14.5	16.0
Pulses	11.5	9.0	6.5
Oilseeds	4.1	3.3	2.7
Vegetables, Fruits, Condiments	1.6	2.2	3.4
Others	15.8	13.7	10.3

Table Four: Agricultural Production of Major Crops, 1977-1984

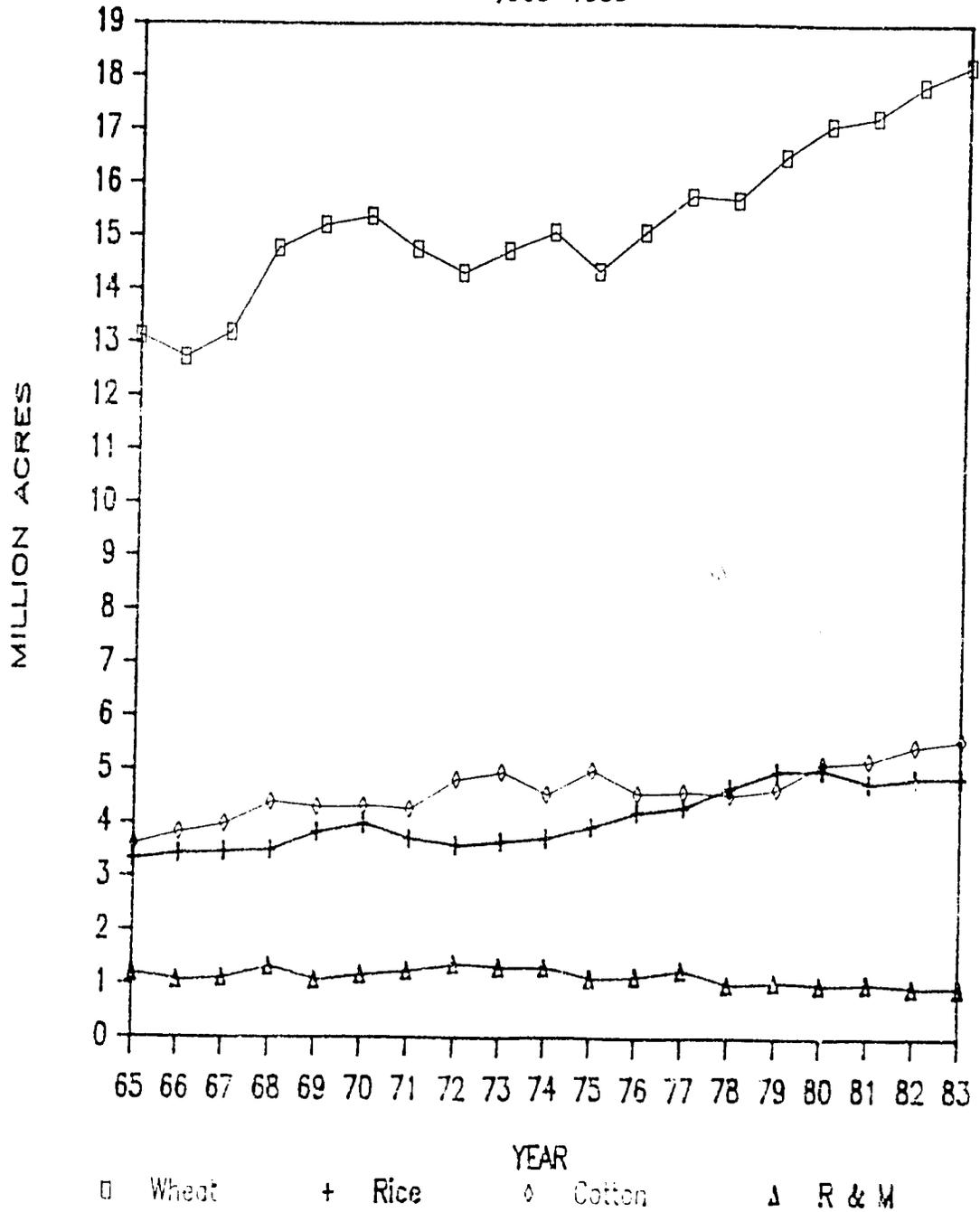
<u>Major Crop</u>	<u>1977-1978</u>	<u>1982-1983</u>	<u>1983-1984</u>
Wheat (million tons)	8.37	12.41	10.94
Rice (million tons)	2.95	3.44	3.34
Sugarcane (million tons)	30.08	32.53	34.29
Cotton (million bales)	3.38	4.84	2.98
Food crops (million tons)	12.48	17.98	17.08
Vegetable Oils (million tons)	0.20	0.19	0.19

Table Five: Average Yields Per Hectare of Major Crops in Selected Countries, 1982-1983 (Kilograms)

<u>Country</u>	<u>Sugarcane</u>	<u>Cotton (Seed)</u>	<u>Maize</u>	<u>Rice (Paddy)</u>	<u>Wheat</u>
Pakistan	35,631	1,092	1,273	2,612	1,678
India	57,535	490	1,121	1,744	1,836
Egypt	81,283	2,489	5,743	-	-
Turkey	-	2,042	2,373	-	1,855
USA	88,595	2,734	7,205	5,315	2,656

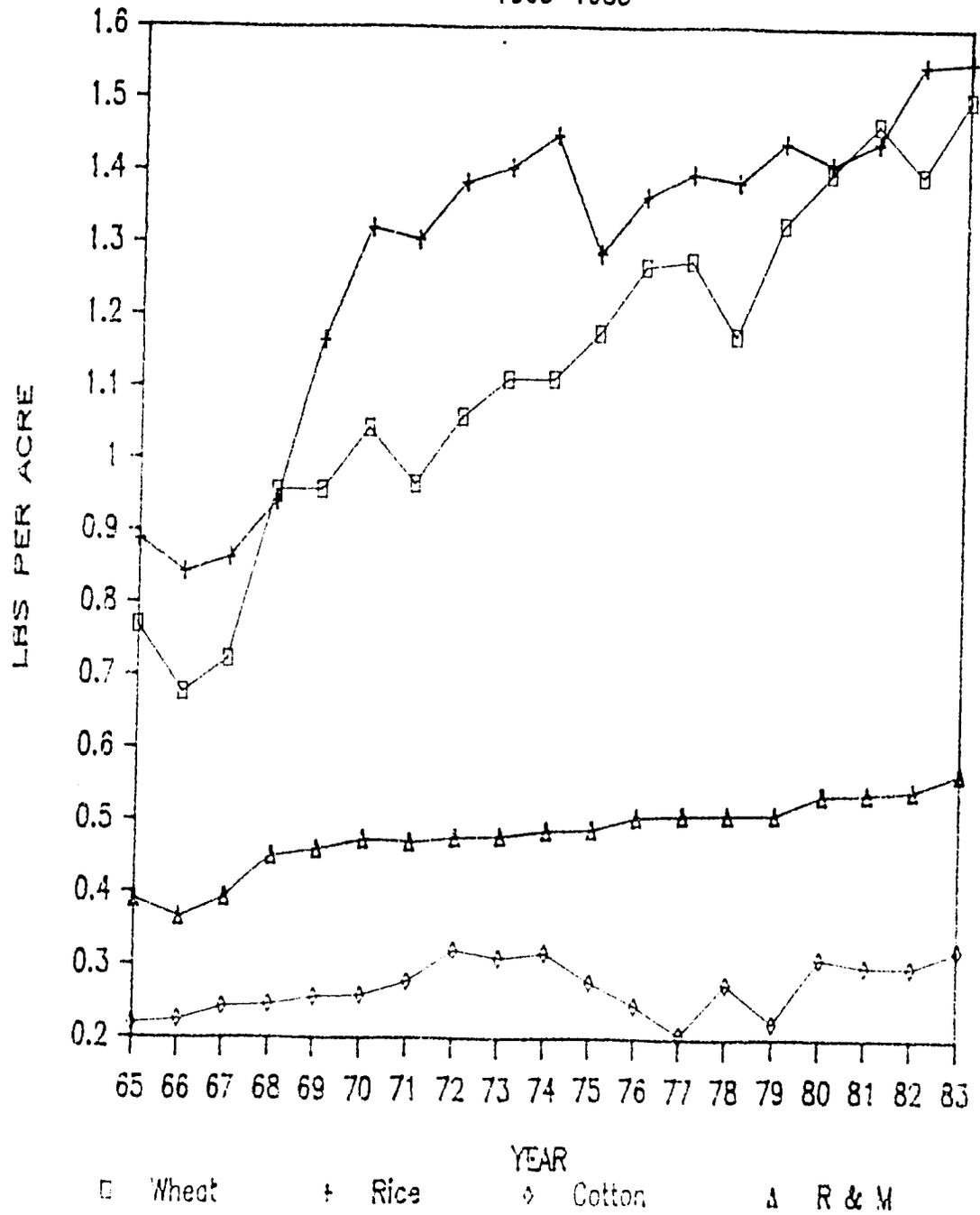
# AREA UNDER MAJOR CROPS

1965-1983



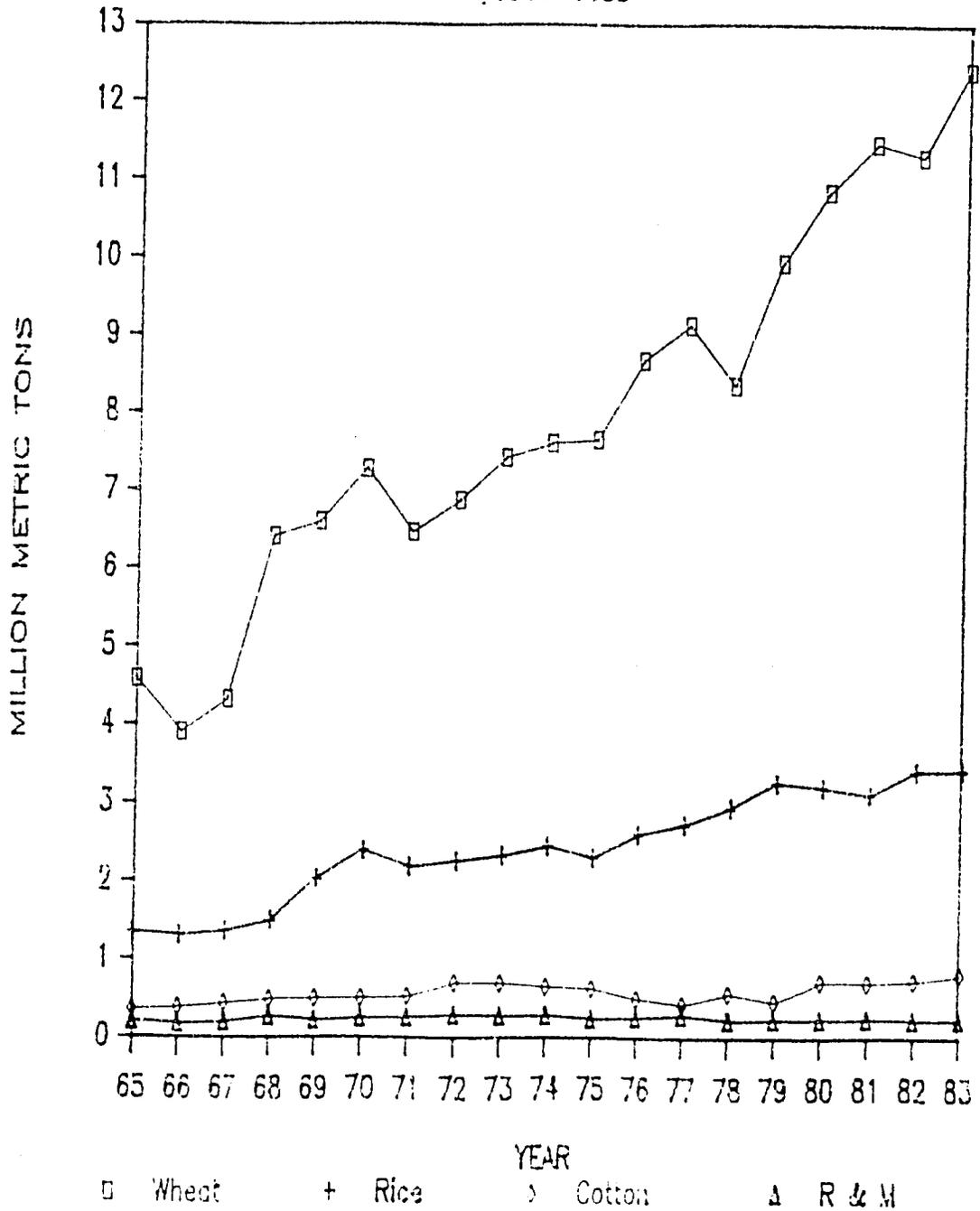
# YIELD OF MAJOR CROPS

1965-1983



# PRODUCTION OF MAJOR CROPS

1965-1983



## Annex II:

SUMMARY OF OVERALL AGRICULTURE SECTOR PORTFOLIO

<u>Activity</u>	Anticipated AID Dollar Contribution (in Millions)		<u>Life of Project</u>	<u>AID Project Manager</u>
	<u>Grant</u>	<u>Loan</u>		
On-Farm Water Management (391-0413)	10.2	-	1982-87	J. Anania
Agricultural Commodities and Equipment (391-0468)	182.0	193.0	1983-87	A. Wasay
Irrigation Systems Management (391-0467)	<u>90.0</u>	-	1983-91	
-General Institutional Improvement & Rehabilitation Components	44.0	-		R. Backus
-Water Management Research Component	21.0	-		J. Anania
-Command Water Management	25.0	-		J. Foster
Forestry Planning and Development (391-0481)	25.0	-	1983-91	A. Merkel
*North West Frontier Area Development (391-0485)	30.0	-	1983-88	F. Zumwalt
Transformation and Integration of Provincial Network (TIPAN) (391-0488)	35.5	-	1984-90	M. Fleming
Management of Agricultural Research And Technology (391-0489)	30.0	-	1979-85	D. Butchart
Food Security Management (391-0491)	35.0	-	1984-90	B. Primm
*Tribal Areas Development (391-0471)	15.0	-	1982-87	F. Zumwalt
*PL-480		300.0	1982-87	P. Mulligan
Total	<u>462.7</u>	<u>493.0</u>		

\*Not an ARD Managed Project

Annex III:

PROJECT DESCRIPTIONS

1. On-Farm Water Management (391-0413)

Total Cost (in million Dollars): 34.617                      FY 82-FY 87  
AID: 18.417; GOP: 16.2

Implementing Agency(s): Ministry of Food, Agriculture and Cooperatives (Water Management); Provincial OFWM Directorates

Contractors: Sheladia Associates/JM LORD Inc.

This activity finances a program which strengthens Pakistan's capability to plan and deliver on-farm water management services. Approximately 50,000 farmers with small and medium-size holdings have benefitted directly from the 1,319 watercourses which have been improved and the 75,000 acres of land which have been levelled. Training has been provided to 80 water users associations and to 150 officials in water management extension and management, engineering and computer science.

2. Agricultural Commodities and Equipment (391-0468)

Total Cost (in million Dollars): 375.0                      FY 83-FY 87  
AID: 375.0

Implementing Agency(s): Ministry of Food, Agriculture and Cooperatives; Ministry of Finance and Economic Affairs; and various other agencies concerned with AID-financed projects

Contractors: Short-term Procurement Services Agents as Required

This activity promotes increased agricultural production and provides needed balance of payments support. Funding is provided annually based on projected needs and, after a review of accomplishments, in implementing various declared policies of the GOP. For example, larger private sector role in fertilizer industry, timely allocations of imported fertilizer to the private sector, and reduced subsidies for fertilizer. Local currency generated through the sale of commodities imported under this activity provides a valuable resource for financing priority development activities.

The \$60 million provided in FY 1982 was used to import 130,000 tons of di-ammonium phosphate (\$32.3 million) and essential irrigation canal rehabilitation equipment for the four provincial irrigation departments. The \$60 million FY 1983 tranche financed the

importation of phosphatic fertilizer (\$30.1 million), equipment to support irrigation, and cotton (\$25 million). The \$70 million provided in FY 1984 is being used to establish a facility for the private sector to import agricultural machinery and equipment (\$10 million) and to import phosphatic fertilizer (\$30 million), wheat (\$15 million) and agricultural commodities required to support other A.I.D. assisted projects.

3. Irrigation Systems Management (391-0467)

Total Cost (in million Dollars): 213.63                      FY 83-FY 91  
AID: 90.0; GOP: 37.0; Other Donor Agency: 86.5

Implementing Agency(s): Ministry of Water and Power; WAPDA; Provincial Irrigation Departments; Irrigation Drainage and Flood Control Research Council

Contractors: PRC Engineering Inc/CHECCHI; University of Idaho/Washington State University/DAI

Local level institutional and policy and planning improvements are major emphases of this AID project. The control and management systems, design, planning and research capabilities of provincial irrigation departments are the major foci of AID's support. Two-thirds of the three-quarters of a million beneficiaries from this project will be farmers with land holdings of less than 12.5 acres.

Activities have been designed to take into account experiences gained in the On-Farm Water Management Project. In collaboration with the World Bank, approximately 14,000 kilometers of surface canals and 3,500 kilometers of surface drains will be rehabilitated.

The water management research aims at improving the capability of scientists and institutions to conduct irrigation research, and development of technical expertise and research management skills for the establishment of a well organized, well managed and integrated research program.

Co-financed with the World Bank, a Command Water Management (CWM) program is being implemented on a total of 500,000 acres in seven command areas located in all four provinces. CWM will increase agricultural production and farmer's income. It will develop a methodology which can be replicated in future for addressing specific water management problems, designing physical improvements in the system and involving greater farmer and local community participation in operation and maintenance of the irrigation systems.

4. Forestry Planning and Development (391-0481)

Total Cost (in million Dollars): 39.3                      FY 83-FY 91  
AID: 25.0; GOP: 14.3

Implementing Agency(s): Inspector General of Forests; Pakistan Forest Institute; Provincial Forest Departments

Contractors: International Agricultural Development Service (IADS)

This project is strengthening the ability of federal and provincial governments and local institutions working with local communities and private farmers to design, implement, and evaluate policies and programs for increasing fuelwood and timber production, primarily on small private farms. Project activities include training, research and field operations. Excess of 40,000 acres of tree plantations will be established on underutilized land on or around farms. Private nurseries will be developed to support these plantings. Government irrigated plantations will be redesigned to emphasize fuelwood production. Foresters will be trained to support field activities as outreach specialists. The project also includes approximately \$2.5 million in commodity/equipment support funded through the AC&E program.

\*5. North West Frontier Area Development (391-0485)

Total Cost (in million Dollars): 31.4                      FY 83-FY 88  
AID: 30.0; GCP: 1.4

Implementing Agency(s): Pakistan Narcotics Control Board; NWFP P&D Department; SDU; PCU

Contractors: Development Alternatives Inc. (DAI)

This project is designed to complement and facilitate Pakistan's efforts to enforce its ban on opium poppy cultivation. It will transform Pakistan's principal areas of illicit opium poppy cultivation into an economy based on diversified agriculture with strong ties to the national economy.

This project is providing immediate benefits to the farmers of the area in the form of improved roads and electricity, seeds and fertilizers, and development schemes identified by the local councils of the area. The major development activities are agricultural development, infrastructure construction and off-farm employment. On-farm cropping demonstrations, the distribution of improved planting materials, and assistance in cropping practices, watershed management and marketing will promote increased production of existing food crops, new cash crops, improved livestock and trees. Support is being provided for infrastructure such as irrigation schemes, roads, trails and power lines. The marketable skills of the area's residents will be improved through participation in project activities, vocational training and basic education.

This project also is a major source of U.S financing for Pakistan's "Special Development and Enforcement Plan for the Opium Producing Areas of Pakistan" (SDEP). The SDEP will finance activities to transform the economies of other poppy producing areas such as Dir and Chitral into economies which are based on diversified agriculture. The UN Agency for Drug Abuse Control (UNFDAC) is coordinating multilateral support for the SDEP.

\*Not an ARD managed project

6. Transformation and Integration of the NWFP's Provincial Agricultural Network (TIPAN 391-0488)

Total Cost (in million Dollars): 63.0                      FY 84-FY 90  
AID: 35.5; GOP: 27.5

Implementing Agency(s):      NWFP      Agricultural      University  
Peshawar/University Grants Commission Islamabad

Contractors: Consortium of University of Illinois and Southern Illinois University; A/E Skidmore Oving and Merrill

This project will integrate agricultural research in the North West Frontier Province of Pakistan with agricultural education at the university level. TIPAN will improve the quality of education offered and research undertaken by the university, and strengthen linkages with agricultural extension through a problem-solving, farmer-oriented outreach program at the university. About 25% of the personnel and other resources of the university will be devoted to an outreach program. Approximately 140 individuals will be enrolled for degree training at U.S. universities and 65 short-term participants will be provided non-degree training in the U.S. and third countries during the total eleven years of the project as designed. A total of 89 long-term and 46 short-term training opportunities will be offered during the approved first phase (1984-1990).

7. Management of Agricultural Research and Technology (391-0489)

Total Cost (in million Dollars): 34.385                      FY 79- FY 85  
AID: 30.0; GOP: 1.135; Other Donor Agency: 3.25

Implementing Agency(s):      Pakistan      Agricultural      Research      Council  
(PARC)

Contractors: CIMMYT; ICARDA

This project will strengthen the performance of the national agricultural research system to generate and disseminate quality and relevant agricultural technologies to the farmers of Pakistan. The project consists of five components: 1) Research Management and Administration; 2) Information Transfer; 3) Training for the Agricultural Network; 4) Acid Zone Research; and, 5) Wheat and Maize Coordinated Programs.

The first three components are designed to strengthen and expand the human, physical, and technological resources available within the national agricultural research network and to improve the management of the system at the Federal and Provincial levels. The fourth component addresses the substantial gap that has existed in acid high altitude agricultural research for non-irrigated areas, which is especially important for the western regions of the country. The fifth component will enable Pakistan to sustain and build on the impressive gains achieved in wheat and maize production by improving the research and outreach activities carried out through its Nationally Coordinated Wheat and Maize Programs.

8. Food Security Management (FSM) (391-0491)

Total Cost (in million Dollars): 39.46                      FY 84-FY 90  
AIP: 35.0; GOP: 4.46

Implementing Agency(s): MINFA; PARC; FBS; Provincial Agriculture  
and Food Departments

Contractors: USDA/SRS; Denver Wildlife Research Center

This FSM project's purpose is to improve the analytical and policy formulation framework, the managerial capabilities, and the physical capacity of the GOP to manage the national food security system effectively and efficiently. The project is made up of three related sub-projects: Economic and Policy Analysis (EPA), Agricultural Data Collection (ADC), and Post-Harvest Management (PHM). EPA sub-project is composed of two principal components. The first consists of the establishment of an economic analysis network to coordinate and implement an increased quantity of policy relevant economic analyses by Pakistani institutions. The second component is a special studies program to address key policy issues in the food grains and ration shop systems.

The ADC sub-project will modify the existing agricultural statistics collection system to make it more accurate and efficient. Key elements include: introduction of the area sampling frame methodology; the use of growth models for estimating production prior to harvest; implementation of a quarterly schedule for collection and dissemination of basic agricultural data, and introduction of an ADP system for compilation and analysis of raw data.

The PHM sub-project focuses on improved management of the public sector storage system in five critical sub-systems: inventory control and stock management; financial and cost accounting; operations and maintenance of physical storage facilities; management and development of human resources; and quality control of stored grains. The sub-project will finance: storage management and operations training; rehabilitation of approximately 700 thousand MT of cereal grain storage structures; and storage technology transfer, to identify and apply more effective and safer technologies for controlling pests.

\*9. Tribal Areas Development (391-0471)

Total Cost (in million Dollars): 15.0                      FY 82-FY 87  
AID: 15.0

Implementing Agency(s): Ministry of States and Frontier Regions;  
Federally Administrated Tribal Areas Development Corporation; NWFP  
Planning and Development Department; Communication and Works  
Department; Local Government and Rural Development

Contractors: U.S. Soil Conservation Service; Qutubuddin and Co.

\*Not an ARD managed project

This project is strengthening the ability of government institutions to implement development activities in the tribal areas of Pakistan's North West Frontier Province. Approximately 160 watercourses and 125 kilometers of new gravel roads are being constructed or rehabilitated to further the development of this region. In addition, a special fund will finance small self-help activities of priority interest to the people in these areas. These will include schools, health facilities, flood control structures, and connection to the power and road networks.

\*10. PL 480 Food for Peace

Total Cost (in million Dollars): 300.0                      FY 82-FY 87

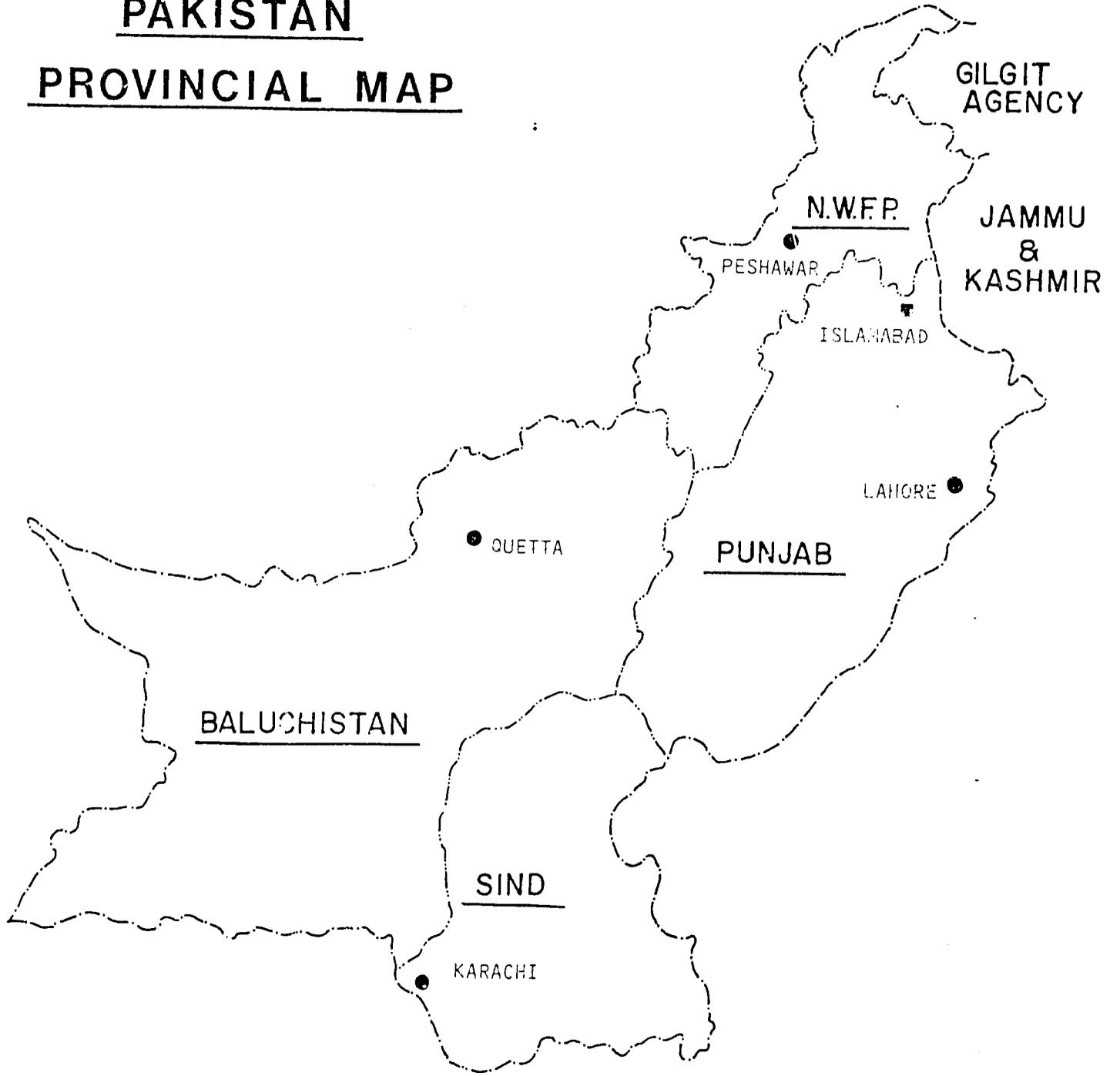
The PL 480 program in Pakistan is an essential element of the six-year economic assistance package. This program is a key part of the strategy to support Pakistan's balance of payments position, provide an essential ingredient for plants manufacturing a key food item for the population, and to promote policy issues. Local currency generated through the sale of these imports provides a valuable resource for financing priority development activities. The program is budgeted at an annual level of \$50 million in soft loans.

The overall policy objectives of the program are to liberalize the long-term policy of prices for edible oil products and increase the role of the private sector in the edible oil industry. A study is also underway on management of buffer stocks and the rationalization of import and credit policies to stimulate the domestic livestock and poultry industries.

Through September 30, 1982, the United States had provided a total of \$2,006.9 million for food imports to Pakistan under concessionary terms. During FY 1983 and 1984, the U.S. provided an additional \$100.0 million credit, \$50.0 million each year, for the importation of 170,000 metric tons of edible oil.

Since 1979, the emergency relief needs of Afghan refugees have become especially important. The U.S. has provided \$230 million in food through WFP to help feed the Afghan refugees.

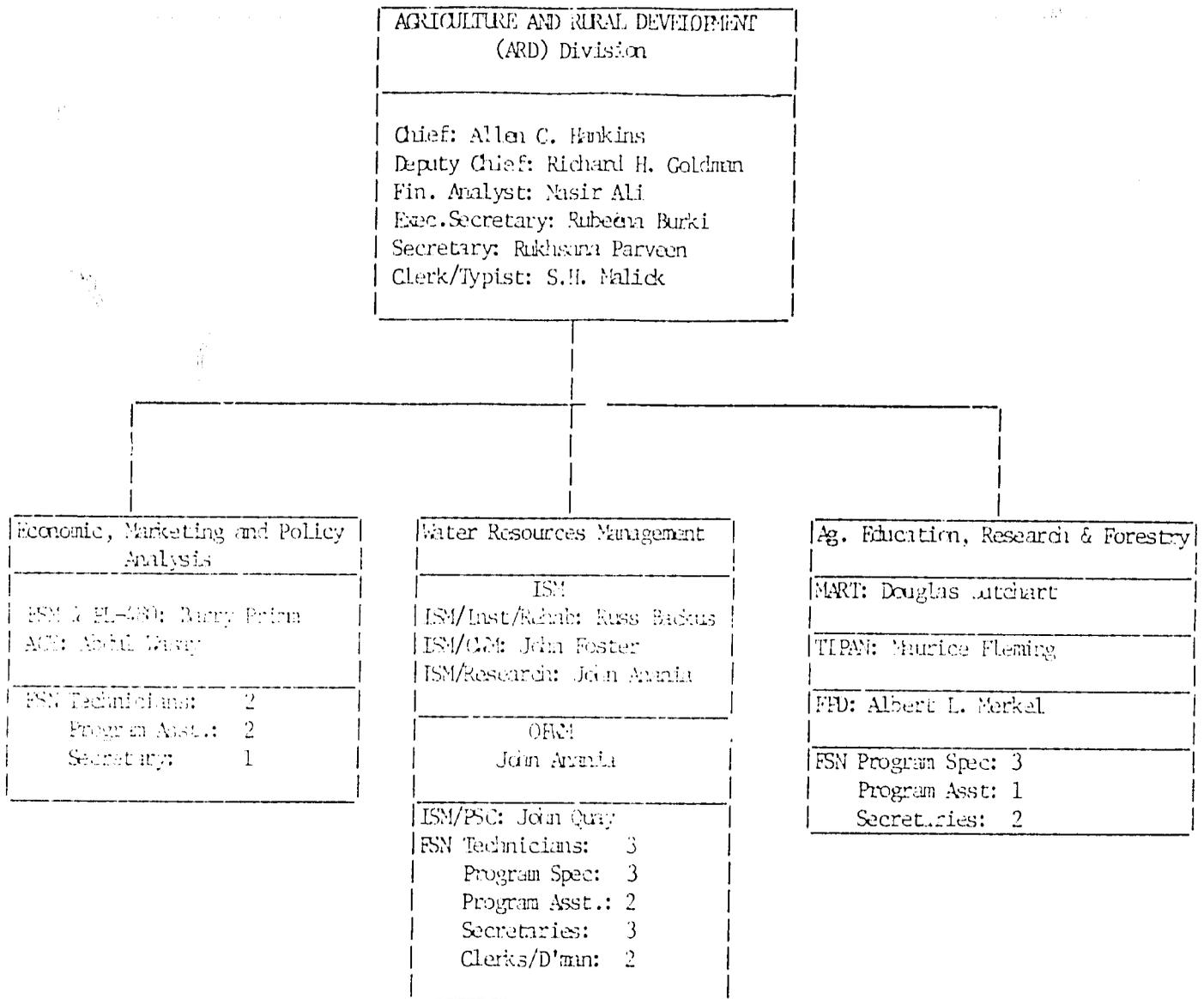
PAKISTAN  
PROVINCIAL MAP



FED. CAPITALS ■  
PROV. CAPITALS ●

ANNEX IV

ORGANIZATIONAL CHART FOR ARD



Abbreviations:

- FSM = Food Security Management
- ACE = Agricultural Commodities & Equipment
- GM = Ground Water Management
- OFWM = On-Farm Water Management
- MART = Management of Agricultural Research and Technology
- TIPAN = Transformation & Integration of the Provincial Agricultural Network
- FFD = Forestry Planning and Development
- ISM = Irrigation Systems Management