



Pakistan development cooperation report 2009

September 2010

Contents

Context	2
Progress towards objectives	3
Education	4
Health	5
Agriculture and Rural Development	6
Humanitarian	7
Governance	8
Scholarships	9
Program quality	9



This report summarises the bilateral aid program's progress in 2009 towards meeting Australia's aid objectives in Pakistan. This is the first development cooperation report completed for the Pakistan program.

Context

In 2009, Pakistan was beset by a number of complex social, economic and security challenges.

Pakistan performed poorly in relation to Millennium Development Goals (MDGs) on extreme hunger and poverty, primary education, gender equality, and maternal and child health. Maternal mortality rates were the highest in the region, with a mother dying of a pregnancy related complication every 20 minutes. Half of the adult population was illiterate (including two-thirds of women), two out of every five children were malnourished and one child in ten died before their fifth birthday. Gender inequality was profound. Literacy and school enrolment rates for females were the lowest in South Asia.

The global financial crisis hit Pakistan hard, leading to an International Monetary Fund (IMF) stand-by-arrangement which provided some immediate financial relief conditioned upon politically unpopular structural reform. While this brought some stability, growth was falling, unemployment was rising and the deteriorating environment threatened exports, remittances, government revenue and external financing.

The north western areas of Pakistan faced turbulence with around three million people fleeing conflict between government forces and militants. This conflict led to heightened humanitarian, reconstruction and service delivery needs, and had broader impacts on development across the country.







These challenges weighed heavily on the nation's poorest. Pakistan ranked 141st out of 182 countries in the United Nations Human Development Index. Around one third of the population of 160 million lived below the national poverty line and 60 per cent lived on less than USD2 per day. Poverty and inequality was unevenly spread across the country. Some of the world's worst social indicators could be found in Pakistan's border regions, including the remote areas of Khyber-Pakhtunkhwa (formerly the North West Frontier Province), Federally Administered Tribal Areas (FATA), and Balochistan.

The international donor community responded positively to the challenges facing Pakistan and rapidly scaled up its engagement. Australia's contribution, while increasing rapidly, remained modest when compared to larger donors such as the Asian Development Bank (ADB), the World Bank (WB), the IMF, the United States, Japan and the United Kingdom. Total Australian official development assistance to Pakistan in 2008-09 was \$38.6 million, with AusAID's bilateral program comprising \$26.8 million. This is expected to grow to \$67.9 million in 2009-10, with AusAID's bilateral program comprising \$58.8 million of this total.




The donor coordination environment in Pakistan remained fractured. The annual Pakistan Development Forum, the main donor coordination forum, had not been held since October 2007, with the Government of Pakistan (GoP) preferring to engage bilaterally for specific support measures. Lack of donor coordination was exacerbated by the absence of a clear overarching development framework from Pakistan to guide donor investments. This made further alignment between the Australian aid program (and that of the broader donor community) and GoP's development priorities difficult.



Table 2: Ratings of the program's progress in 2009 towards objectives

Objective	Rating In 2009	Relative to previous rating
Objective 1: Improve basic education through enhancing the overall quality of basic educational services, expanding access for underserved and disadvantaged groups and strengthening educational governance.	 (orange)	Not applicable ²
Objective 2: Improve maternal, neonatal and child health, and reduce the incidence of avoidable blindness.	 (orange)	Not applicable
Objective 3: Build market, technical and academic linkages between the agricultural sectors of Australia and Pakistan.	 (orange)	Not applicable
Objective 4: Respond, in line with Australia's capacity, to humanitarian needs and issues of mutual concern to the governments of Pakistan and Australia, as they emerge.	 (orange)	Not applicable
Objective 5: Promote democratic governance, including capacity-building and encouraging greater public participation in democratic processes.	 (orange)	Not applicable
Objective 6: Promote human resource development and institutional - capacities through the provision of targeted scholarships	 (orange)	Not applicable

Note:

-  (green) The objective will be fully achieved within the timeframe of the strategy.
-  (orange) The objective will be partly achieved within the timeframe of the strategy.
-  (red) The objective is unlikely to be achieved within the timeframe of the strategy.

Education

Objective 1: Improve basic education through enhancing the overall quality of basic educational services, expanding access for underserved and disadvantaged groups and strengthening educational governance.

In 2009, Australia's assistance towards this objective focused on providing basic education support in Balochistan and Khyber-Pakhtunkhwa, where educational needs were greatest.

Between 1999 and 2009, Australia has worked with UNICEF to enrol more than 53,000 primary school aged children in six focus districts in Balochistan. This includes enrolment of 46,000 girls between 1999 and 2009 and 7,691 boys between 2008-09. The initial focus of this program was on improving access to basic education for girls, to address the significant gender disparity. However, given the overall poor education indicators for Balochistan, Pakistan's poorest province, the program's scope was widened to include male participation at the primary school level. Through the second phase of this program, more than 22,800 boys at primary level benefited from improved quality of education through the provision of education supplies, and 689 teachers received additional training. Over 10,000 boys in 169 primary schools were provided with access to safe drinking water and newly constructed latrines. These results built on those of the broader program, which included increasing the proportion of girls' primary schools to boys' primary schools from 79 per cent to 225 per cent in four project districts, increasing female teaching staff by 63 per cent from 1151 in 1999 to 1831 in 2008 and reducing

² As this is the first Annual Program Performance Report for the Pakistan program, previous ratings are not available.



the teacher-student ratio from a baseline of 1:74 in 2002 to 1:39 in 2008. The Balochistan Basic Education Program ended in June 2009.

From 2009-10, a new program of engagement in Balochistan through the 'One UN' Education Program commenced. The Joint 'One UN' Education Programme aims to deliver effective and coordinated UN programs at the country level. Pakistan was one of eight pilot countries identified for the 'One UN' reform process. Australia provided support to Joint Programme Component 1 'Pre and Elementary Education' and Joint Programme Component 3 'Education System Strengthening'. This support was targeted at Balochistan and built on the earlier work delivered through UNICEF. It focuses on both male and female educational outcomes. Importantly, the One UN Education Programme aimed to build the Government of Balochistan's own institutional capacity by providing assistance to establish a Policy and Planning Unit. This Unit will have the responsibility for developing the education sector plan. As the program has only just commenced, results from this work were not available at the time of preparing this Report.

In Khyber-Pakhtunkhwa, Australia worked with a range of donors, including United Kingdom's Department for International Development (DFID), Royal Netherlands Embassy (RNE), UNICEF and the WB, to support the development of the Government of Khyber-Pakhtunkhwa's education sector plan. This plan provides a mechanism for 'on-budget' support in the sector and provides a framework for coordinating further donor support to this sector, promoting the Government of Khyber-Pakhtunkhwa's leadership of this work.

Health

Objective 2: Improve maternal, neonatal and child health, and reduce the incidence of avoidable blindness.

In 2009, AusAID continued to focus on reducing child mortality (MDG 4) and improving maternal health (MDG 5). Strong results were achieved through partnership with DFID and the GoP to support the GoP's National Maternal, Neonatal and Child Health (MNCH) Program. Australia also built on its long term engagement with the Australian NGO, the Fred Hollows Foundation, to reduce the incidence of avoidable blindness.

AusAID and DFID fund a Research and Advocacy Fund (RAF) and Technical Resource Facility (TRF), which provides direct support to the GoP's implementation of the MNCH program. While there were some initial delays in operationalising the RAF and TRF under the GoP's broader MNCH program, the training of 6263 midwives and 4500 health providers commenced in 2009. This number is expected to grow significantly to achieve the MNCH program's target level of training 12,000 midwives and 15,000 health providers by the end of 2011. AusAID funding supports curriculum development for this training, monitoring and evaluation and the development of other key enabling policies and processes in the health sector. More broadly, implementation of the MNCH program also suffered because of cuts of between 30 to 40 per cent in internal GoP allocations arising from the global financial crisis.

While comprising a considerable proportion of the aid program (23 per cent), the modest size in dollar terms (\$6.2m in 2009) of Australia's assistance to the health sector meant that it does not have the reach of larger donors. Direct support to GoP's own national program provided Australia with national reach that would otherwise be unachievable through a standalone project. Australia's cooperative work with DFID enabled Australia to magnify its impact and to identify potential areas of further joint programming. Strong and targeted collaboration between DFID and AusAID has also facilitated renewed interest in donor coordination at the



sectoral level, which represents an important outcome that goes beyond the specific results of the project.

Australia has built a long-term engagement (commencing in 2001) to address avoidable blindness through its collaboration with the Fred Hollows Foundation. In 2009, Australia supported two projects that contribute to this objective - the Pakistan-Australia District Comprehensive Eye Care Project Phase II (PADEC Phase II) and the Pakistan-Australia Sub-specialty Eye Care Project (PASEC).

PADEC Phase II operated in partnership with the Ministry of Health within districts at the tertiary level to support ophthalmologists through training in, and equipment for, paediatric and vitreo retinal ophthalmology. The project has national reach, being implemented in 25 districts across four provinces: Balochistan, Sindh, Khyber-Pakhtunkhwa and Punjab. In 2009, three rural health centres were upgraded to Comprehensive Vision Centres, over 16 ophthalmologists received specialised training, six GoP Ministry of Health districts were upgraded through the provision of physical refurbishment and essential furniture; and three female counsellors were supported to facilitate and counsel female patients, addressing issues of inequitable access to health services.

PASEC was established in September 2009 at the request of the GoP to provide support to the National Programme for the Prevention and Control of Blindness (2005-2010) and to address gaps in capacity of key tertiary institutions and district level teaching hospitals to provide childhood and diabetes related eye care services. Despite the recent start of this project, results are already being achieved: Centre of Excellence Mayo Hospital upgrading has commenced; ophthalmic equipment has been provided to Mayo Hospital Lahore and Hayatabad Medical Complex Peshawar; an upgrade of the Rawalpindi General Hospital has commenced; and the training of ophthalmological staff is underway. PASEC has been designed to be fully incorporated into the GoP's national program over the life of this phase of support.

Agriculture and Rural Development

Objective 3: Build market, technical and academic linkages between the agricultural sectors of Australia and Pakistan to contribute to poverty alleviation

Performance against this objective in 2009 was driven by the successful partnership between the Australian Centre for International Agricultural Research (ACIAR) and GoP agencies participating in the Agriculture Sector Linkages Program Phase I (ASLP Phase I). ASLP Phase I aimed to build market, technical and academic linkages between the agricultural sectors of Australia and Pakistan to facilitate the transfer of Australian knowledge and experience to Pakistan. In contrast to the larger scale agricultural programs of some other donors, ASLP Phase I provided targeted, demand-driven and practical support and was highly regarded by the GoP and key stakeholders.

The agro-climatic situation and resource management challenges faced by Australia and Pakistan are similar, providing scope for a useful exchange of experience. There is strong demand for Australian expertise and technology, which are highly regarded in Pakistan. Implementation of ASLP Phase I strengthened sector linkages, built Pakistan's technical capacity, and made progress in addressing research problems and value chain deficiencies, to help enhance productivity, marketing and sustainability.

Developing technical agricultural linkages was the most successful component of ASLP Phase I, resulting in improved Pakistani agricultural practices. As a result of the mango supply chain



project, China was identified as a potential partner for the export of mangoes, and a commercial trial shipment of mangoes was sent to China in the 2009 season. Government mango nurseries producing disease-free planting material have now been established at the Mango Research Station in Shushabad and the Sindh Research Station in Mirpurkhas, with 3,500 disease-free mango seedlings ready for distribution to growers. In dairy, field staff observed that 30 per cent of farmers trained through the program have adopted improved farm management practices in Central Punjab, resulting in increased milk production by one litre of milk per head of cattle per day and an increase in farmers' income by around 50 cents per day. More broadly, trials on growers' properties demonstrated a 66 per cent reduction in water usage, and reduced labour, through improvements in irrigation. These results have been disseminated through field training of 576 growers through 28 farmer field schools.

There was scope for greater integration of a 'pro-poor' focus to this objective, which will be addressed through Phase II of the ASLP and through the Agriculture and Rural Development Strategy, which are both being developed in 2010. Despite 80 per cent of women in rural Pakistan being engaged in the agricultural industry, under ASLP Phase I, difficulties were encountered in facilitating women's participation in the program, as the two focal crops, citrus and mango, have more limited female participation. The design of ASLP Phase II is expected to respond to these issues by incorporating a gender-sensitive approach across the entire program. Again, the security situation in Pakistan impacted on the implementation of development activities as travel restrictions hindered the access of Australian project staff to Pakistan project sites.

Humanitarian

Objective 4: Respond, in line with Australia's capacity, to humanitarian needs and issues of mutual concern to the governments of Pakistan and Australia, as they emerge

Australia supported the immediate and longer-term needs of people affected by natural disasters and conflict in Pakistan in 2009. Australia's humanitarian and reconstruction assistance to Pakistan during 2009 comprised the provision of emergency relief for people displaced by law enforcement operations in north west Pakistan, and food assistance for vulnerable communities impacted by high food prices, as well as ongoing reconstruction work in response to the 2005 earthquake in the northern areas of Pakistan.

Australia supported the World Food Program's (WFP) Protracted Relief and Recovery Operation (PRRO) which provided assistance (particularly health and education support) to food-insecure households in Balochistan and FATA. Australia contributed \$2.65m in calendar year 2009 to the USD29m WFP appeal (approximately 8% of the total appeal). In 2009, the PRRO provided support to 842,476 beneficiaries, which included 138,840 children below five years of age, 292,384 children between five and 18 years of age, and 411,252 adults.

Implementation of the PRRO faced considerable security-related impediments, including an attack on WFP's own country office on 5 October 2009. Despite highly adverse security conditions that constrained direct WFP access in operational areas, the outsourcing of distribution and monitoring activities to a local NGO in the most conflict-affected areas proved an effective alternative.

In 2009, work continued on the reconstruction program responding to the 2005 earthquakes in northern Pakistan. This work, delivered through the ADB and UNICEF, focused on the reconstruction of infrastructure and restoration of health and education services in alignment



with the GoP's sector policy frameworks and strategies developed by the Earthquake and Rehabilitation Authority. Through the ADB Earthquake Trust Fund, 60 of a total of 309 schools were rebuilt (the remainder were on track for completion within the program schedule), 600 teachers (including 278 female teachers) were trained, and 165 School Management Committees were mobilised and trained. Under the UNICEF Earthquake Trust Fund, the targeted 281 transitional schools were completed within the project deadline, and the construction of permanent schools was generally on schedule. Whilst largely on track, implementation of the construction program was impacted by the prevailing security situation, severe weather and geographical conditions, cost escalations, poor contractor performance, and unrealistic timeframes for the completion of some projects.

Throughout 2009 Australia responded rapidly to calls for humanitarian assistance, and was the tenth largest donor to the internally displaced persons (IDPs) crisis in 2009. Humanitarian assistance to IDPs totalling \$24.9m was provided in the 2009 calendar year. This assistance provided urgently needed food rations – in partnership with the World Food Program (WFP) more than one million IDPs were fed. It also provided safe water, shelter, sanitation facilities for 285,000 IDPs, and emergency health services and education support to more than 40,000 children. This assistance was disbursed through a range of providers, including multilateral partners (UNICEF, UNHCR, WFP, ICRC, and OCHA) and Australian NGOs (Save the Children, Oxfam, World Vision, Caritas and Red R).

Governance

Objective 5: Promote democratic governance, including capacity-building and encouraging greater public participation in democratic processes.

In 2009, Australia's support towards this objective was channelled through the Strengthening Participatory Organization's (SPO's) Democratic Governance and Social Harmony Program. This is a multi-donor initiative (British High Commission, Canadian International Development Agency (CIDA) and Royal Netherlands Embassy) working to strengthen institutional capacities of grass roots organisations and public interest institutions to advocate for development priorities and improved service delivery from government.

The program aims to increase public participation in democratic processes, improve access to social services (particularly health and education), and strengthen the capacity of civil society groups to advocate for human rights. A total of 377 partner organisations were provided with financial and technical support for community outreach on human rights and voter education in 2009. Approximately 51,303 people (33 per cent women) participated in these events. Support for political education was also provided in 2009 to over 400 political party workers across 31 districts to strengthen democratic processes.

Performance reporting under the SPO program was largely at the output level, such as number of participants in activities, and the number of workshops held. This made assessments of the contribution towards broader objectives difficult. The performance framework for the SPO has since been revised, in consultation with other donors, which will assist in future assessments of performance, particularly at the community level. Improvements in governance are only achieved over the long term and are difficult to track, even in the best of circumstances.

Gender mainstreaming is an issue that cuts across SPO's work and gender-based objectives frame the program. These objectives included increasing women's decision-making and



participation in economic, political and social processes; improving women's access to resources; and promoting the human rights issues of women.

Scholarships

Objective 6: Promote human resource development and institutional -capacities through the provision of targeted scholarships.

Australia's work towards this objective was driven by its longstanding (since 1991) scholarships program. In 2009, 41 Australian Development Scholarships were awarded across a wide range of sectors (10 per cent natural resource management, 27 per cent social sciences, 39 per cent governance, 7 per cent education, 5 per cent health, 7 per cent law and legal studies, 5 per cent information technology). Of the successful candidates, half were women, which was a major achievement given the educational challenges facing women in Pakistan. The results of the 2009 Annual Student Survey revealed that while there was a 100 per cent satisfaction rating with their scholarship, 78 per cent did not have, or were unsure whether they had, a reintegration plan (which assists students to plan for the utilisation of their scholarship on return from Australia).

Managing a rapid expansion of the scholarships program to provide 500 scholarships between 2005 and 2010 led to some performance issues. A review found that the program had become supply driven and there was limited focus on assessing the impact of alumni on their return to Pakistan. As a result, the program was redesigned in mid-2009 to increase the efficiency of its administration, align the program with priority sectors and provinces (Balochistan, FATA, and Khyber-Pakhtunkhwa), and include better processes for assessing the performance of the program as well as reintegration planning to maximise the long term impact.

Scholarships also continue to serve a broader diplomacy objective as a high profile, highly valued and highly visible component of the Australia-Pakistan relationship. In September 2009, the then Prime Minister announced a further 100 agriculture scholarships over the next four years, which will include a mix of short term training and long term masters level scholarships to address identified skill and capacity gaps in the agriculture and rural development sector.

Program quality

This is the first Development Cooperation Report for Pakistan, and reflects the growth of the program and its increased profile. The absence of a country strategy and performance assessment framework for Pakistan made assessment of the overall quality of the aid program in 2009 difficult. However, it was possible to analyse key issues relating to the quality of the program and assess the contribution made to the aid effectiveness agenda.

Despite the relative size of Australia's development assistance budget, quality and effectiveness was maximised through targeted geographic and sectoral interventions: education support has focused on Balochistan, the health program was targeted at addressing avoidable blindness and maternal and child health; and agricultural support was targeted towards small scale and niche activities identified as priorities by the GoP. Constraints in the effectiveness of the scholarships program, identified through an independent review, were addressed through a redesign of the scholarships program in mid-2009.



In late 2009 negotiations commenced with the GoP on the Australia-Pakistan Development Partnership. The Partnership will better align the Australian aid program with the priorities of the GoP, and improve and promote mutual accountability, particularly through an Annual Partnership Dialogue. The Annual Partnership Dialogue will also facilitate the effective review of the performance of activities under the aid program.

Law enforcement operations and a deteriorating security situation continued to have a real impact upon the program. There were setbacks in the implementation of programs across all of the program objectives and a diminished ability to monitor performance. Travel restrictions placed on Australian staff hindered access to Pakistan project sites. Other implementing partners faced similar restrictions and often outsourced the monitoring and/or evaluation of programs to local NGOs. This had mixed results, depending on the capacity and availability of NGOs to undertake the work. Some contractors refused to undertake work in some high risk areas.

The successful collaboration between DFID and AusAID was a significant achievement and has resulted in expressions of interest from other donors for increased and more formal donor coordination with Australia in Pakistan. We expect these opportunities to grow as Australia's aid budget to Pakistan increases. Australia has also strengthened dialogue with international financial institutions, in particular with the World Bank and Asian Development Bank, multilateral agencies, such as the United Nations Development Programme, and global organisations, to promote greater accountability and improve the effectiveness of development assistance in Pakistan.

The considerable gender inequality across Pakistan calls for an approach that seeks to improve the status of women. Whilst support through the health, education and governance programs have paid particular attention to improving the status of women, further consideration needs to be given to the best methods for achieving this.