



# Pakistan Development Cooperation Report 2010

October 2011

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This document summarises the bilateral aid program's progress in 2010 towards meeting Australia's aid objectives in Pakistan. This is the second development cooperation report completed for the Pakistan program. The previous report is available on the Australian Agency for International Development's (AusAID's) website.

## Context

In 2010 Pakistan's economic, security and political situation remained challenging, particularly following the devastating July 2010 floods. The floods affected about half of Pakistan's 145 districts and more than 20 million people. More than 1.7 million homes, 8000 schools, 24 000 kilometres of roads, 2.1 million hectares of standing crops and 1 million tons of food and seed stocks were damaged or destroyed, reversing many development gains the country had achieved. The post-flood Damage and Needs Assessment estimated damage at around US\$8.9 billion, with the main provinces affected being Khyber-Pakhtunkhwa, Punjab and Sindh.

Pakistan's progress towards the Millennium Development Goals (MDGs) remains slow, particularly in relation to extreme hunger and poverty (MDG1), primary education (MDG2), gender equality (MDG3), child mortality (MDG 4) and maternal health (MDG 5). Furthermore, Pakistan's progressive recovery from the 2008 global economic downturn has stalled and while some recovery was made during 2010, the floods reversed many gains made.

Pakistan ranked 125 out of 169 countries in the United Nation's (UN) Development Programme's (UNDP) Human Development Index for 2010, and this ranking is likely to slip in 2011 as a result of the floods.<sup>1</sup> Nearly a quarter of the population lives on less than US\$1.25 a day<sup>2</sup> and, according to the UNDP's post-flood estimates, a further six million Pakistanis could be pushed below the calorie-based poverty line.<sup>3</sup> Some of the world's lowest social indicators continue to be found in Pakistan's border regions. The remote areas of Balochistan, Federally Administered Tribal Areas and Khyber-Pakhtunkhwa have limited health and education services, inadequate infrastructure and a lack of economic diversification and employment opportunities. Much of Australia's official development assistance is targeted at these areas.

Australia's assistance to Pakistan has grown substantially over the last five years, as part of Australia's increased engagement in the region. Total Australian official development assistance to Pakistan in 2009–10 was A\$78.7 million, with AusAID's bilateral program totalling A\$69.6 million. Official development assistance grew to an estimated A\$119.3 million in 2010–11, with Australia's post-flood humanitarian and early recovery assistance accounting for the increase between years.

## Progress against objectives

The overall objective of Australia's program is to reduce poverty. In Pakistan, Australia works with the Government of Pakistan (GoP) towards a stable, secure, democratic country through broad-based social and economic development and poverty reduction in line with the MDGs.

Australia's aid program is guided by the terms of the Australia – Pakistan Development Partnership (APDP), agreed between Australia and Pakistan in 2010 and formalised in 2011. The

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<sup>1</sup> 2010 Human Development Report, UNDP.

<sup>2</sup> 2010 Human Development Report, UNDP.

<sup>3</sup> Restoring hopes and livelihoods in Pakistan, November 2010, UNDP.



partnership sets out the principles, mutual commitments and priorities for development cooperation as agreed by both governments.

A Statement of Commitment for Pakistan, which provides details on how Australia delivers its aid program in line with the APDP, was finalised by the end of 2010.

Australian assistance to Pakistan aligns with the five strategic goals of Australia's aid program: to save lives, promote opportunities for all, contribute to sustainable economic development, promote effective governance and respond to humanitarian crises and disasters.

To achieve these strategic goals, the Pakistan program focuses on health (particularly maternal and child health) and basic education, aligning with MDGs 2, 4 and 5—achieve universal primary education, reduce child mortality and improve maternal health. The program also assists the agriculture and rural development sector and efforts to improve democratic governance. Australia seeks to build human capital through the Australia Awards Program. Australia also provides humanitarian assistance to vulnerable communities, evidenced by support provided in 2010 following the floods.

The progress of major aid programs in Pakistan was hampered by the country's volatile security situation and unprecedented floods of 2010. There were setbacks in program implementation across all objectives, except for in the humanitarian area.

Despite ongoing challenges, Australia has achieved a number of positive results. For example, Australia continued to develop strong links with Pakistani counterparts to improve agricultural productivity, contributed to reducing preventable blindness, provided text books to primary and secondary students in Khyber-Pakhtunkhwa, supported the implementation of the GoP's maternal, neonatal and child health policy and provided scholarships for Pakistani nationals to study in Australia.

Australia moved quickly to respond to the humanitarian crisis that emerged following the floods, providing A\$75 million in relief and early recovery assistance that had a real impact on the lives of those affected. The response included the delivery of emergency food, shelter and health services, the rehabilitation of damaged schools and the distribution of seeds to help restore livelihoods.



Table 1 Ratings of the program's progress in 2010 towards the objectives of Australia's aid program to Pakistan aid program.

Objective	Rating in 2010	Relative to previous rating
Objective 1: Enhancing basic service delivery in education	■	Unchanged
Objective 2: Enhancing basic service delivery in health	■	Unchanged
Objective 3: Increasing agricultural productivity and improving rural livelihoods	■	Unchanged
Objective 4: Strengthening democratic governance	■	Unchanged
Objective 5: Supporting vulnerable populations through humanitarian assistance	■	Improved
Objective 6: Promote human resource development and institutional capacity through the provision of targeted scholarships	■	Unchanged

Note:

- The objective will be fully achieved within the timeframe of the strategy.
- The objective will be partly achieved within the timeframe of the strategy.
- The objective is unlikely to be achieved within the timeframe of the strategy.

## Education

### *Objective 1: Enhancing basic service delivery in education*

Australian support focuses on improving access and enhancing the quality of education in the early childhood and primary education sub-sectors, particularly in Balochistan, Gilgit-Baltistan and Khyber-Pakhtunkhwa.

AusAID is working closely with the United Kingdom's Department of International Development (DFID) and the World Bank to develop and support the Khyber-Pakhtunkhwa government's education sector plan. While donors were finalising the design of long-term activities to support the implementation of the plan, in 2009–10 AusAID, in partnership with DFID, delivered interim support by providing free text books to 3.4 million children in primary and secondary schools and helping 73 per cent of enrolled girls at middle and secondary schools continue their education by providing stipends of Pakistani Rupee 200 per month. Through the stipends scheme girls enrolment has increased by 14 per cent.

The Aga Khan Foundation (AKF) is AusAID's implementing partner for two education sector activities in Gilgit-Baltistan and Balochistan initiated in 2009–10. In Gilgit-Baltistan, the program aims to expand access to, and the quality of, education in seven remote and marginalised districts. Some program activities were re-oriented to help rebuild and rehabilitate schools in Gilgit-Baltistan damaged by the floods. In Balochistan, the AKF's program aims to increase the quality and relevance of early childhood education in three districts. The program focuses on: enhancing access to early childhood development (pre-primary and years one and two) for poor families, girls and underprivileged children; improving the quality and relevance of early childhood education; improving the skills and knowledge of key stakeholders (parents, teachers, health workers, government and community groups) to support children's wellbeing; and improving teaching practices in the province. These activities were disrupted by the floods and the difficult operating environment.



Australia continued support for the One UN education pilot program in Balochistan, by providing A\$2.8 million between 2009 and 2011. The pilot forms part of the broader One UN reform process, which aims to deliver effective joint UN programs at country level to overcome fragmentation and duplication. Australia's support builds on AusAID's long-standing work with the United Nations Children's Fund (UNICEF) in the Balochistan education sector and targets pre and elementary education and education system strengthening. While there have been some setbacks in implementation, the program has reported promising results including: an 8.2 per cent increase in enrolments at the entry grade (or Katchi) level in the eight project districts; early childhood kits and school development plans provided to 300 schools; 6300 students provided with clean drinking water and 10 500 students provided with adequate sanitation facilities; the training of an additional 300 female teachers; and the establishment of an Education Policy Planning and Implementation Unit in the Government of Balochistan to lead the development of an education sector plan for the province.

## Health

### *Objective 2: Enhancing basic service delivery in health*

Despite improvements in the overall health of the population, Pakistan's maternal and child health (MNCH) outcomes lag behind other countries in the region. Australian assistance in the sector focuses on improving maternal and child health, reducing malnutrition in children and reducing the incidence of avoidable blindness.

AusAID and DFID fund a Research and Advocacy Fund and a Technical Resource Facility to provide direct support to the implementation of the GoP's MNCH program. Key achievements include developing a deployment policy to support the GoP's target of training 12 000 midwives by 2012 (3000 were trained in 2010) and revising training curricula for health care staff. The program also implemented infection control protocols for staff of public sector facilities, including basic health units, and secondary and tertiary care hospitals; and trained relevant staff from national and provincial MNCH programs and provincial health departments in procurement policies and processes, and financial management planning. The strong collaboration between AusAID and DFID on MNCH facilitated renewed interest in sectoral-level donor coordination and Australia is exploring opportunities for more collaboration with DFID beyond the current four-year MNCH partnership.

The successful partnership with DFID also enabled Australia to leverage greater influence with the GoP to directly target Pakistan's performance against MDG 4 (reduce child mortality) and MDG 5 (improve maternal health) and contribute to the development of Pakistan's health policies. Supporting the national MNCH program has provided Australia with national reach that would not be possible through a stand-alone bilateral project and enabled Australia to directly support a GoP program.

Australia's ongoing engagement with the Fred Hollows Foundation to address avoidable blindness continued to achieve good results. In 2010, AusAID supported two projects—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 has now been implemented in 25 districts across all four provinces. In 2010, 26 district and sub-district eye units were upgraded with ophthalmic equipment with support from



the GoP, more than 15 paediatric and specialist ophthalmologists received training in Germany, and around 6800 cataract surgeries were performed in Balochistan and Khyber-Pakhtunkhwa.

PASEC was established to provide support to the Pakistan National Programme for the Prevention and Control of Blindness and to address gaps in the capacity of key tertiary institutions and district-level teaching hospitals to provide childhood and diabetes-related eye care services. In 2010 the program continued to generate strong results. Upgrades to the Centre of Excellence Mayo Hospital, Lahore, were completed; five additional district hospitals received ophthalmic equipment and renovations; previously upgraded hospitals in Lahore and Peshawar continued screening services for diabetic patients; 3865 patients were screened at Diabetic Retinopathy clinics in Karachi; 5706 children were screened for refractive errors in Balochistan and Khyber-Pakhtunkhwa; and ophthalmological staff received specialised training.

## Agriculture and Rural Development

### *Objective 3: Increasing agricultural productivity and improving rural livelihoods*

Agriculture is key for Pakistan's economy, but the sector remains underdeveloped, with major structural constraints hindering its contribution to economic growth and poverty reduction. Australia's efforts to increase agricultural productivity continued to be driven by AusAID's successful partnership with the Australian Centre for International Agricultural Research, that implements the Agriculture Sector Linkages Program (ASLP) in partnership with participating GoP agencies and research and industry organisations from both countries.

ASLP Phase 1, which finished in early 2011, helped build market, technical and academic links between the agriculture sectors in Australia and Pakistan, facilitate the transfer of Australian knowledge and experience and enhance the research, development and extension capacity of Pakistani agribusiness systems. It also made considerable progress in addressing research problems and value-chain deficiencies in the mango, citrus and dairy sectors, which improved the productivity, marketing and sustainability of these important export sectors. While smaller in scale than many other donor programs, ASLP Phase 1 delivered demand-driven, targeted and practical support and was highly regarded by the GoP and key stakeholders.

The progress and partnerships established under ASLP Phase 1 will be developed further under ASLP Phase 2, which started in 2011. This phase will focus on: improving access for small-hold and marginalised farmers to activities that help them increase market and employment opportunities; enhancing academic links through long and short-term scholarships; and developing links to improve Pakistani approaches to natural resource management across the sector more broadly. ASLP Phase 2 is expected to provide a more balanced approach to gender across the program.

In 2010 Australia started support for an integrated rural development program for conflict-affected areas of Khyber-Pakhtunkhwa, through the Sarhad Rural Support Programme's (SRSP) Strengthening Livelihoods Program (SLP). SRSP is a Pakistani non-government organisation (NGO), with extensive experience working in the province. The SLP helps reduce poverty through reviving livelihoods and empowering communities in three districts of Khyber-Pakhtunkhwa.

The SLP was just starting when the floods hit. Its three target districts were severely affected with damage to critical infrastructure and housing, population displacement and the destruction of agricultural crops and livestock. In response, the first six months of operation were converted to an early recovery program focused on improving and restoring the quality of life of flood-affected





communities. It did this by providing income through a ‘cash for work’ program to restore community built and managed infrastructure; restoring livelihoods by re-generating and enhancing livestock and agricultural production; and supporting small enterprises by providing vocational training, particularly for women. The early recovery program’s objectives were aligned, as far as possible, with the SLP for continuity. Importantly, program activities were based on the needs of affected communities, which were directly involved in implementation.

Key results of the early recovery program included: the formation of 99 community organisations (including 33 female groups) covering 2479 households, to identify livelihood and reconstruction needs; rehabilitation of 87 infrastructure facilities (for example, irrigation channels, sanitation, roads and bridges, drinking water) and 653 small-scale community infrastructure projects completed to benefit more than 32 000 people.

## Governance

### *Objective 4: Strengthening democratic governance*

Strengthening democratic governance is a relatively small component of Australia’s program to Pakistan. In 2010, AusAID’s support towards this objective was channelled through the Pakistani Strengthening Participatory Organization’s (SPO’s) Democratic Governance and Social Harmony Program. This multi-donor initiative (also supported by the British High Commission, Canadian International Development Agency and the Royal Netherlands Embassy) strengthens grass-roots organisations and public-interest institutions to advocate for community-driven development priorities and improved service delivery from government. Through advocacy events in 2010 the SPO reports that around 69 500 individuals were educated on their civic rights, and the rights of women, children and minorities.

## Humanitarian

### *Objective 5: Supporting vulnerable populations through humanitarian assistance (including post-flood early recovery activities)*

Australia’s humanitarian assistance to Pakistan in 2010 was dominated by emergency response and early recovery assistance provided to those affected by the floods. In addition, Australia continued to provide emergency relief for people displaced by conflict in north-west Pakistan, food assistance for vulnerable communities impacted by high food prices, and support to ongoing reconstruction work in response to the 2005 earthquake in Pakistan’s northern areas.

Australia moved quickly to respond to the unprecedented humanitarian crisis in Pakistan that emerged after the floods. Australia’s financial contribution was primarily delivered through UN agencies, the Red Cross and Red Crescent Movements and Australian NGOs (such as Save the Children and Oxfam). Australia was the sixth largest bilateral donor to the UN’s flood appeal—the Pakistan Floods Emergency Response Plan (FERP). This is the largest UN appeal in history and sought US\$2 billion in relief and early recovery funds; however, it remains only partially funded (as at 22 July 2011, only 70 per cent of the appeal requirements had been met).

Australia’s early recovery support was aligned with Australia’s existing development priorities in Pakistan, focusing on maternal and child health, basic education and restoring livelihoods through agriculture and rural development.



Key outcomes of the early recovery activities include:

- helping more than 28 500 children go back to school in Punjab and Sindh by fixing schools damaged by the floods (through Save the Children)
- establishing 23 temporary schools in Internally Displaced People's camps allowing more than 5000 children to continue their education (through UNICEF)
- fixing 50 water supply schemes and installing 38 water storage tanks (through UNICEF)
- providing 60 metric tonnes of sunflower seeds in seven of the worst-affected districts of Sindh Province, helping more than 30 000 farming households to replant crops and revive their livelihoods (through the UN's Food and Agricultural Organization).

Australia also established a joint civilian military medical facility at Kot Addu, Punjab, which treated more than 11 000 patients for flood-related illnesses between September and October 2010.

The report *The Long Road: Australian humanitarian agency response to the 2010 floods in Pakistan*, released by the Australian Council for International Development on 5 May 2011, 'commends the Australian Government for its prompt and proactive commitment of \$75 million towards the relief and recovery effort' through AusAID. The report also outlines the positive impact that Australia's humanitarian response had on more than one million Pakistanis affected by the floods.

In 2010 work continued on the reconstruction program responding to the 2005 earthquakes in northern Pakistan. This work, delivered through the Asian Development Bank (ADB) and UNICEF, focused on reconstructing infrastructure and restoring health and education services. Through the ADB Earthquake Trust Fund, 233 of 309 schools have been rebuilt (the remaining 76 are at different stages of completion), 600 teachers (including 278 female teachers) were trained, and 165 School Management Committees were established and trained. Australia also contributed to UNICEF's Earthquake Trust Fund. This contribution will deliver 145 schools (86 permanent and 59 pre-fabricated) by the end of 2011, providing educational opportunities for more than 12 000 children. To date, 83 permanent and 59 pre-fabricated schools have been constructed.

Australia also supported the establishment of the World Bank's Multi-Donor Trust Fund (MDTF) for Khyber-Pakhtunkhwa, Federally Administered Tribal Areas and Balochistan, which assists in the reconstruction and longer-term development of conflict-affected areas, and seeks to implement the findings of the Post Conflict Needs Assessment. The MDTF focuses on improving local governance and service delivery, as well as provincial economic management capacity; and restoring economic and social assets and activities in crisis-affected areas. However, by the end of 2010, little progress had been made on implementing activities under the MDTF.

## Scholarships

*Objective 6: Promote human resource development and institutional capacity through the provision of targeted scholarships*

Australia continued its long-standing scholarships program, which has been in place in Pakistan since 1991. In 2010, 51 Australian Development Scholarships were awarded to Pakistani nationals to start studies at Australian universities in 2011. This included three Australia Pakistan Agriculture Scholarships for 2011, under a commitment made in 2009 by Australia's then Foreign





Minister to provide specific scholarships in the agriculture sector. A further eight Australia Pakistan Agriculture Scholarship recipients will start in 2012. There will be up to 68 short-term scholarships and up to 32 Masters' scholarships awarded for agriculture related studies over the next three years.

The Pakistan Scholarships Program focuses on building capacity and addressing skill gaps which strongly align with Australia's development priorities. It targets three priority provinces—Balochistan, Federally Administered Tribal Areas and Khyber-Pakhtunkhwa. In 2010, to support the 2011 intake, Australia's Foundation Awards initiative was introduced to assist scholarship applicants who demonstrated the potential to contribute to Pakistan's development but did not meet all of the eligibility criteria for an Australian Development Scholarship. Foundation Award recipients receive English language training and/or academic training (such as writing or presentation skills) to improve their chances of being awarded an Australian Development Scholarship in future application rounds. Ten Foundation Awards were offered to Pakistani nationals in 2010.

To strengthen the long-term impact of the scholarships program and raise the in-country profile of the awards, an Alumni program was formally launched in Pakistan in September 2011. The program is expected to significantly contribute to the sustainable development of Pakistani public, private and civil society institutions. It will be supported by the graduates coming through the Pakistan Scholarship Program.

### Quality of aid activities

The implementation and progress of several activities was disrupted by the 2010 floods. The quality assessment of activities therefore depends on where the activity was located, its stage of implementation and, in some cases, the experience of the implementing partner.

Independent monitoring of activities in Pakistan remains difficult. AusAID is discussing conducting joint monitoring with other donors, including of humanitarian assistance, to avoid duplication of donor efforts, and to reduce the burden on common counterparts and stakeholders and security-related risks.

Establishing multi-year activities in Pakistan has always been challenging and proved difficult once more in 2010, as Australian and other donor resources were diverted to address immediate flood-related needs and longer-term program development was put on hold. Fragmentation of activities remained a problem and was exacerbated in 2010 as Australia's flood assistance was distributed among a large number of implementing partners. Pakistan's operating environment makes it unlikely that AusAID will be able to develop large-scale bilateral programs in the near future, however the Agency will be more proactive with potential partners, particularly through sectoral advisers in-country, to identify areas for engagement and to develop programs in the next few years. AusAID will endeavour to avoid continued fragmentation by identifying large-scale, long-term activities in a limited number of key sectors, where possible.

Efforts have been made to incorporate measures to address gender inequality across the Pakistan program, and AusAID will continue to pay attention to improving the status of women. Given Pakistan's recent history of severe natural disasters, where possible the program will also seek to incorporate disaster risk reduction activities.

In 2011, Australia's approach to aid in Pakistan will be updated in line with the Australian Government's policy in response to the independent aid review—*An Effective Aid Program for*

