

# **PRSP – II Period Progress Report**

## **FY 2008/09 – FY 2010/11**

### **Strengthening Poverty Reduction Strategy Monitoring Project Government of Pakistan Finance Division**

*“I believe in materialism. I believe in all proceeds of a healthy materialism----good cooking, dry houses, dry feet, sewers, drain pipes, hot water, baths, electric lights, automobiles, good roads, bright streets, new ideas, intellectual debates, theaters, operas, orchestras.....*

*I believe in them all for everybody. The man who dies without knowing these may be as exquisite as a saint, and as rich as a poet; but it is in spite of, not because of his deprivation.”*

*---Francis Hackett (Article Published in Chicago Post, 1911)*

## Preface

The Poverty Reduction Strategy Paper (PRSP) Secretariat has been authorized with the overall lead in coordinating, evaluating and reporting progress on pro-poor public expenditures, intermediate social indicators, and final outcomes on a regular basis. The PRSP offers powerful tools to forge a consensus on policies and resources needed at all levels of government to reduce poverty and enhance the pace of economic and social development in Pakistan. Through this exercise, the government seeks to improve the allocation of scarce public resources and redistribute them for the betterment of the poor. The PRSP-II outlined the targets under each pillar based upon the previous PRSP Strategies. The real test of pro-poor public expenditures lies in their impact. Hence, the policies in PRSP-II were linked with the achievement of key economic, financial, social and human development goals.

The Ministry of Finance is grateful for the valuable efforts, advises and comments provided to the PRSP Secretariat in these three years. I would like to extend my appreciation to Mr. Sajjad Ahmad Shaikh, NPM, Strengthening PRS Monitoring Project (SPRSMP) and SPRSM's team for their continuous support in completing the PRSP-II tenure successfully. I would also take this opportunity to acknowledge the individuals, civil society, academia, and the development community, who pro-actively supported the PRSP Secretariat.

**Amjad Mahmood**

National Project Director (NPD)/  
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## Foreword

*“The issue of poverty is not a statistical issue.*

*It is a human issue”*

— *James Wolfensohn*

*(President World Bank, 2002)*

The Poverty Reduction Strategy Paper is an evolving document initiated by the World Bank and IMF in the year 2000. This analytical exercise has resulted in enhancing the effectiveness of strategies designed to uplift poverty. The PRSP-II is the third Poverty Reduction Strategy Paper. Based upon the lessons learned, the PRSP-II gives a comprehensive description of all economic and social aspects. It focuses on the last three years i.e. FY 2008/09 to FY 2010/11. Furthermore the PRSP II takes a very effective approach towards formulating a long-term national economic strategy that aims at reducing poverty mainly through nine pillars. These include (i) Macroeconomic Stability and Real Sector Growth; (ii) Protecting the Poor and the Vulnerable; (iii) Increasing Productivity and Value Addition in Agriculture; (iv) Integrated Energy Development Programme; (v) Making Industry Internationally Competitive; (vi) Human Development for the 21<sup>st</sup> Century; (vii) Removing Infrastructure Bottlenecks through Public Private Partnerships; (viii) Capital and Finance for Development; and (ix) Governance for a Just and Fair System.

The PRSP secretariat regularly reports budgetary and non-budgetary expenditures in the pro-poor sectors. It also monitors the outcome and output indicators. The purpose of formally documenting these reports on a quarterly and annual basis has been to track the pro-poor expenditures and to identify the gaps prevailing in the implementation of the PRSP-II. This practice promises to play a key role in improving future policies regarding poverty reduction. This progress report not only intends to specify the desired objectives in pro-poor sectors of PRSP expenditures but also discusses the actual outcomes at the grass root level. The PRSP Secretariat has made a conscious effort to share these reports regularly with key stakeholders.

I would like to extend my appreciation and gratitude to Mr. Nouman Ghani, Ms. Humaira Aziz, Ms. Mahwish Z Chowdhary, Ms. Sana Badar, Ms Shafaq Zaheer, Ms Mariam Haq, Ms Rabia Javed, Ms Farwa Basit, Mr. Noor Taj , Ms Uzma Ashraf, Mr. Saifullah Asad, Mr. Azam Khan and Mr. Bilal Shaikh for their vigorous efforts and contribution in the preparation of this report.

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## Acronyms

<b>AJ&amp;K</b>	Azad Jammu & Kashmir	<b>MFIs</b>	Micro Finance Institutions
<b>BHUs</b>	Basic Health Units	<b>NCRC</b>	National Centre for Rehabilitation of Child Labour
<b>BISP</b>	Benazir Income Support Programme	<b>NFNE</b>	Non Food Non Energy
<b>CDA</b>	Capital Development Authority	<b>NEMIS</b>	National Educationnel Mangement Information System
<b>CFIs</b>	Commercial Financial Institutions	<b>NER</b>	Net Enrolment Rate
<b>CPI</b>	Consumer Price Index	<b>NGO</b>	Non Government Organizations
<b>CSP</b>	Child Support Program	<b>NIP</b>	National Internship Programme
<b>CFY</b>	Current Fiscal Year	<b>PBM</b>	Pakistan Bait-ul-Maal
<b>EDB</b>	Engineering Development Board	<b>PFY</b>	Previous Fiscal Year
<b>EOBI</b>	Employees Old Age Benefit Institution	<b>PIFRA</b>	Project for improving financial reporting and auditing
<b>FANA</b>	Federally Administered Northern Areas	<b>PWP</b>	People Works Program
<b>FATA</b>	Federally Administered Tribal Areas	<b>PRSP</b>	Poverty Reduction Strategy Paper
<b>FBR</b>	Federal Bureau of Revenue	<b>PFSP</b>	Punjab Food Support Program
<b>FBS</b>	Federal Bureau of Statistics	<b>PSRP</b>	Punjab Sasti Roti Program
<b>FED</b>	Federal Excise Duty	<b>PMN</b>	Pakistan Micro-Finance Network
<b>FSP</b>	Food Support Programme	<b>PH</b>	Pakistan Homes
<b>FRDLA</b>	Fiscal Responsibility and Debt Limitation Act	<b>PSH</b>	Pakistan Sweet Homes
<b>FY</b>	Fiscal Year	<b>PWP</b>	Peoples Works Program
<b>GDP</b>	Gross Domestic Product	<b>RSPs</b>	Rural Support Programs
<b>GER</b>	Gross Enrollment Rate	<b>SMEs</b>	Small and Medium Enterprises
<b>GOP</b>	Government of Pakistan	<b>SPI</b>	Sensitive Price Index
<b>ICT</b>	Islamabad Capital Territory	<b>SPRSM</b>	Strengthening Poverty Reduction Monitoring Project
<b>IFA</b>	Individual Finance Assistance	<b>SBP</b>	State Bank of Pakistan
<b>IDPs</b>	Internally Displaced People	<b>TFR</b>	Total Fertility Rate
<b>IMR</b>	Infant Mortality Rate	<b>TT</b>	Tetanus Toxoid
<b>IR</b>	Institutional Rehabilitation	<b>VTC</b>	Vocational Training Center
<b>KP</b>	Kyber Pakhtoon Khawa	<b>WPI</b>	Wholesale Price index
<b>LFS</b>	Labour Force Survey	<b>WWF</b>	Workers Welfare Fund
<b>LHWs</b>	Lady Health Workers	<b>YoY</b>	Year-on-Year
<b>LSM</b>	Large Scale Manufacturing		
<b>LP</b>	Langer Program		
<b>MFBs</b>	Micro Finance Banks		

# **Chapter: 1**

## ***Introduction***

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*“We must honestly recognize that poverty is not a mere flue; it is more like a cancer. It will take determined policy actions to banish poverty – including redistribution of assets and credits, provision of adequate social services and generation of pro-poor growth. It will also require a new model of development which enlarges human lives, not just GNP, and whose central purpose is development of the people for the people by the people.”*

-----*Dr. Mahbub ul Haq (State of the World Forum: 8 November 1997)*

**1.1** In 2008, when the new government came to power, Pakistan was facing the twin challenges of reviving economic growth and eliminating poverty and other social inequities. Following broad national consultations, the government announced its development strategy which focused on:

1. Macroeconomic Stability & Real Sector Growth
2. Protecting the Poor and the Vulnerable
3. Increasing Productivity & Value Addition in Agriculture
4. Integrated Energy Development Programme
5. Making Industries Internationally Competitive
6. Human Development for the 21<sup>st</sup> Century
7. Removing Infrastructure Bottlenecks through Public Private Partnerships (PPPs)
8. Capital and Finance Development
9. Governance for a Just and Fair System

**1.2** This reform agenda formed the backbone of the Poverty Reduction Strategy –II (PRSP-II) finalized in December 2008 after a broad-based consultative process based on above mentioned nine (9) pillars. The government launched a multifaceted attack on poverty that combined macroeconomic stabilization, reduction in debt burden, fundamental structural reforms, enhanced social service delivery and improved governance.

**1.3** The Poverty Reduction Strategy Papers (PRSP) offers a potentially powerful tool to forge a consensus on policies, priorities and resources needed at all levels of government to reduce poverty and inequities, impeding the pace of economic and social development in Pakistan. To achieve the targets underlying these principles, the PRSP emphasized the importance of a well-developed and extensive monitoring and evaluation system for assessing the impact of the government’s poverty reduction strategies and resource allocations, along with a good feedback mechanism for informed decision making. For this purpose it identified 17 pro-poor sectors and a set of related social sector indicators – intermediate and process indicators, outputs and outcomes, which were finalized after a long consultative process for monitoring different dimensions of poverty. The indicators cover macroeconomic targets as well as poverty, education, health, population, water and sanitation, housing, rural development, environment, gender, employment, food support, governance, children, social funds, and microfinance.

**1.4** The Poverty Reduction Strategy Paper (PRSP) annual progress report is the tenth in line ever since the inception of PRSP Secretariat in the Ministry of Finance. This annual report covers the PRSP-II period i.e. FY 2008/09 to FY 2010/11. The PRSP Secretariat regularly reports budgeted and non-budgeted spending in selected pro-poor sectors followed by the evaluation of key social sector indicators. The purpose of PRSP quarterly and annual reports is to keep track of the progress taken towards poverty reduction and socio-economic development.

**1.5** The PRSP-II period progress report begins with an introduction in Section 1, followed by the detail of targets achieved during the PRSP-II period discussed in Section 2. An overview of Pakistan's key economic indicators is given in Section 3. Section 4 gives a detailed analysis of the data of PRSP budgetary expenditures. Subsequently, Section 5 highlights both budgetary and non budgetary programs that provide social protection and social safety nets to the poor and vulnerable. Section 6 explains in detail the key outputs of intermediate indicators. The outcomes/results of the investments made by the Government of Pakistan and others have been covered in Section 7. Data from the Pakistan Social and Living Standard Measurement Surveys (PSLM) FY 2008/09 - FY 2010/11 has been utilized to give a factual analysis of funds allocated particularly in Education, Health and Water Supply and Sanitation sectors. Section 8 gives the concluding remarks.

**1.6** The economy registered lower growth mainly due to the massive floods that hit the country in two consecutive years. The catastrophic floods were huge and its devastating consequences were witnessed in the form of a sharp decline in nearly all macroeconomic indicators. The production of crops remained low as the two major crops were damaged i.e. cotton and rice. Impressive services sector performance was the only stimulant in an otherwise declining economy. The post-flood supply disruptions that were temporary in nature became the key cause of persistently high inflation. Inflation remained in double digit in three consecutive years. The external sector showed an overall improvement on the basis of exports and buoyant remittances. Rise in global petroleum prices had serious implication for the already large fiscal deficit. It is therefore of critical significance that the Government focuses on generating revenues by increasing the tax base rather than controlling the deficit by reduction in development spending.

**1.7** Overall PRSP budgetary expenditures in seventeen pro-poor sectors of PRSP-II during the last three years (FY 2008/09 – FY 2010/11) were substantial. A total of Rs. 1,245,541 million were incurred in FY 2010/11 (registering a growth of 12.13 percent) against Rs. 1,110,762 million in FY 2009/10 (13.66 percent growth) and Rs. 977,228 million in FY 2008/09. Expenditures on natural calamities and other Disasters underwent maximum YoY growth of 291.42 percent in FY 2010/11 on account of rehabilitation activities caused by the massive floods that hit the country during the previous years. In contrast to the considerable cut down by the government in development spending, the Land Reclamation, Education, Health, Justice, Administration and Law and Order sectors provided support in effective utilization of expenditures allocated for developmental programs.

**1.8** Social protection and Social safety nets in the form of direct cash transfers, both budgetary and non-budgetary, through Zakat, Pakistan Bait-ul-Mal (PBM), Employees' Old Age Benefit Institution

(EOBI), Benazir Income Support Programme (BISP), Workers Welfare Fund (WWF) Programme and provision of Micro-credit are intrinsically linked with Pakistan's Poverty Reduction Strategy Papers (PRSPs). Targeting the poor and vulnerable is an integral part of PRSP. The government of Pakistan understands the need for curtailing the detrimental implications of poverty on the economy and aims to provide full support to the most vulnerable segments of the society through social safety nets. Total transfers through all programs showed a net decrease of 11 percent in terms of grants and 8 percent in terms of beneficiaries during FY2010/11 as compared to FY2009/10. During all three FYs of PRSP-II period, the maximum disbursement was in FY2009/10 of Rs.74,628 million, followed by Rs. 66,301 million in FY2010/11 and lastly Rs.45,840 million in FY2008/09. The total beneficiaries in the same period were again the highest in FY2009/10 i.e. 5.87 million, followed by 5.43 million in FY 2010/11 and 4.358 million in FY2008/09. During the PRSP-II period, the total budgetary to non budgetary transfers were highest in FY 2009/10 i.e. 84:16 and lowest in FY 2008/09 77:23. The ratio remained almost same i.e. 83:17 in the FY 2010/11. The total budgetary to non budgetary beneficiaries were highest in FY 2010/11 i.e. 91:9 and lowest in FY 2008/09 i.e. 67:33. A similar ratio of 72:28 was witnessed in FY 2009/10.

**1.9** The Education and Health sectors are key elements of the Poverty Reduction Strategy. PSLM Survey FY 2010/11 recently released by Federal Bureau of Statistics, shows that literacy rate increased from 57 percent in FY 2008/09 to 58 percent in FY 2010/11 showing an improvement of 1 percentage point. Literacy remained much higher amongst men than women in Pakistan. Overall GER at primary level (age 5-9) increased to 92 percent in FY 2010/11, 1 percent more than in FY 2008/09. GER, for boys increased by 1 percentage point to 100 percent during FY 2010/11 relative to 99 percent in FY 2008/09. GER for girls stood at 83 percent during both FYs 2008/09, 2010/11 showing no change.

**Chapter: 2**

***Targets achieved***  
***Under PRSP-II (FY2008/09--FY2010/11)***

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*"The only worthwhile achievements of men are those which are socially useful."*

*- Alfred Adler*

**2.1** The performance of any project can be scrutinized by comparing its actual performance with the targets laid down at the commencement of the project. The PRSP-II has completed its initial tenure of three years from FY2008/09 to FY2010/11. This section intends to elaborate the targets achieved in the area of macroeconomic stability, pro-poor budgetary expenditures and social protection & safety nets during PRSP-II period. It also tries to establish the impact of social sector and pro-poor budgetary expenditures on outcomes.

## **I. Macroeconomic Stability and Real Sector Growth**

**2.2** The macroeconomic stability and real sector growth is the first and primary pillar of PRSP-II. The targets set under the PRSP-II period were based upon the economic projections and policy options taken by the government. The reduction of poverty heavily depends on the macroeconomic environment of a country. Any policy intervention aimed at reducing poverty cannot reach the masses unless it is supported by a stable economy. This section intends to evaluate the actual performance of macroeconomic indicators against the targets set under the PRSP-II (FY 2008/09- FY 2010/11).

**2.3** Despite the turbulent political and economic environment in the country, the GDP growth rate still managed to record 2.4 percent in FY 2010/11. The economy witnessed a sharp downturn in FY2010/11 whereas in FY2009/10 the economy saw a rise in GDP growth i.e. 3.8 percent as compared to FY 2008/09 i.e. 1.7 percent the lowest ever recorded in the last three years. Pakistan's macroeconomic indicators showed a declining trend mainly because of the disastrous floods and its involvement in the war on terror.

**2.4** Almost one-fifth of the country's agricultural land was swamped with floods, causing massive disruptions in the economic growth of the country. The financial crisis, intensification of war on terror, and security vulnerability are the major factors in hindering the economic activity. Agricultural sector acutely suffered as the growth rate shrank to 1.2 percent in FY 2010/11. In spite of its considerable significance, the agricultural sector remained neglected by the policy makers. The services sector on the other hand played a vital role in the economic progress during the last few years and consequently has emerged as one of the driving forces of economic growth, displaying the highest trajectory trend in FY 2010/11 i.e. 4.1 percent, against the 2.9 percent in FY 2009/10. Although, the progress of services sector during FY 2008/09 and FY 2009/10 was nearer to the projected rate but it achieved the projected figures in FY 2010/11 (see table 2.1). The performance of some subsectors in services sector has not been very encouraging as the Finance & Insurance witnessed a negative growth from FY2008/10 to FY2010/11. The wholesale & trade after depicting good performance in FY2008/09 declined drastically in FY2009/10 and FY2010/11, failing to meet the projected growth rate.

**2.5** During the course of the last three years the inflationary pressures have intensified and caused serious threats to macroeconomic stability. In FY 2008/09, the observed inflation rate was 17.03 percent. This rate fell down to 10.10 percent in the next FY 2009/10; then again witnessed a rise of 13.7 percent during FY 2010/11; against the projected inflation rate of 5.5 percent. The GDP at current market price increased from Rs. 12724 billion in FY 2008/09 to Rs 18063 billion in FY 2010/11. The targets set by the government were not only achieved but surpassed during the PRSP-II period.

**2.6** The total investments made in the last few years as a percentage of GDP have fallen short in reaching the envisaged targets. Investments as a percentage of GDP fell to 13.4 percent in FY2010/11 from 18.2 percent in FY 2008/09. The deceleration owes mainly to the intensification of war on terror, the haphazard security environment and high profile killings over the last few years. On the contrary, the national savings as percentage of GDP showed some resilience and marked a growth of 13.6 percent in the FY 2010/11 as compared to FY 2009/10 in which the growth was 13.1 percent. Despite this increase in growth rate, the national savings fell short of the targeted rates (table 2.1). The nominal exchange rate (Rs/\$) has been on an increasing trajectory over the last three years. The exchange rate reached a record level of 85 (Rs/\$) in FY2010/11 as compared to 78.5 in FY2008/09 and 83.8 in FY 2009/10 (i.e. 78.5 & 83.8) almost meeting the projected PRSP nominal exchange rates. The population rate is on a continual rise since the last three years, notably from 168.2 million in FY 2008/09 to 175.31 million in FY 2010/11.

**Table 2.1: Growth in Key Macro Economic Indicators (Projected vs Actual) FY 2008/09 - FY 2010/11**

	FY 2008/09		FY 2009/10		FY 2010/11	
	Projected	Actual	Projected	Actual	Projected	Actual
Agriculture	3.3	4.0	3.5	0.6	3.8	1.2
<b>-Major crops</b>	2.6	7.8	2.7	-2.4	3.5	-4.0
<b>-Minor Crops</b>	3.8	-1.2	3.9	-7.8	4.1	4.8
Manufacturing	-2.9	-3.6	2.5	4.9	4.3	-0.1
<b>LSM Manufacturing</b>	-5.0	-8.1	2.0	4.9	4.0	1.0
Services	4.1	1.7	4.6	2.9	5.5	4.1
<b>-Wholesale &amp; Trade</b>	3.0	3.9	4.0	0.8	5.0	0.7
<b>-Finance &amp; Insurance</b>	7.0	-6.3	6.0	-0.6	7.0	-0.3
Real GDP growth	2.5	1.7	4.0	3.8	5.5	2.4
Inflation (CPI Based)	20.0	17.03	6.0	10.10	5.5	13.67
Nominal GDP Growth	23.0	-	10.2	16.6	10.7	21.7
GDP at Current market price (Rs. Bills)	12,970	12,724	14,298	14,837	15,838	18,063
As Percentage of GDP						
Investment	19.5	18.2	20.3	15.4	21.9	13.4
National Savings	13.6	12.5	16.0	13.1	17.6	13.6
Foreign Savings	5.9		4.3		4.3	
Memo Items						
Nominal Exchange Rate (Rs/\$)	79.8	78.5	83.6	83.8	87.6	85.6
Population (million)	163.8	168.2	166.6	171.7	169.3	175.31

\*NEER July-Mar 2010/11 (Economic Survey)

Source: State Bank of Pakistan (SBP), Federal Bureau of Statistics (FBS) & Federal Board of Revenue (FBR)

## II. Pro-Poor Budgetary Expenditures

**2.7** The comparison of actual PRSP expenditures as percentage of GDP for the three years period under analysis is illustrated in Table 2.2. In aggregate terms, PRSP actual expenditures surpassed the targets by 0.28 percentage points in FY 2010/11; 1.56 percentage points in FY 2009/10; and 1.6 percentage points in FY 2008/09. Similarly, expenditures in current and development categories exceeded the projections in all the three years, with one exception that is development expenditures that fell short by 0.36 percentage points in FY 2010/11 against the target of 2.2 percent of GDP.

**2.8** In the course of three years, actual expenditures as percentage of GDP exceeded the PRSP-II targets in nine pro-poor sectors namely Roads Highways & Bridges, Environment Water Supply & Sanitation, Health, Rural development, Subsidies, 'Natural Calamities & other Disasters', PWP-I, Justice Admin and Law & Order. In the Law & Order sector the ratio of actual expenditures as percentage of GDP as compared to forecasted PRSP percentages increased by 0.44 percent points in FY 2008/09; 0.67 percent points in FY 2009/10; and 0.68 percent points in FY 2010/11. However, expenditure to GDP ratio for Education, Agriculture, Social Security & Welfare, Pakistan Bait-ul-Maal, Benazir Income Support Programme and Pakistan Bait-ul-Maal remained below the projected figures during FY2009/10 and FY2010/11.

**2.9** In the Health sector, ratio of actual expenditures to GDP remained above PRSP-II projections in FY2008/09 and FY2009/10 but declined to 0.59 percent in FY 2010/11. Actual expenditure in Education surpassed the target in FY 2008/09, but lagged behind in FY 2009/10 and FY 2010/11. Hence in overall terms, Health sector performed better than education in terms of actual expenditure to GDP as compared to PRSP-II Projections.

**Table 2.2: Actual PRSP Budgetary Expenditures Relative to Projection in PRSP-II (in terms of expenditure to GDP ratio)**

PRSP Expenditures	FY 2008/09		FY 2009/10		FY 2010/11	
	Projec- ted	Actual	Projec- ted	Actual	Projec- ted	Actual
Development	1.74	2.36	1.9	2.22	2.2	1.84
Current	4.12	5.11	4.12	5.35	4.43	5.06
Total	5.86	7.46	6.01	7.57	6.62	6.9
Market Access and Community Services						
Roads, Highways, & Bridges	0.36	0.76	0.41	0.67	0.48	0.55
Environment/ Water Supply & Sanitation	0.07	0.17	0.08	0.17	0.08	0.16
Human Development						
Education	1.51	1.84	1.82	1.77	2.2	1.78
Health	0.34	0.64	0.43	0.64	0.56	0.59
Population Planning	0.03	0.04	0.03	0.05	0.03	0.03
Rural Development						
Agriculture	0.7	0.68	0.77	0.71	0.84	0.64

Continue...

**Table 2.2: Actual PRSP Budgetary Expenditures Relative to Projection in PRSP-II (in terms of expenditure to GDP ratio)**

PRSP Expenditures	FY 2008/09		FY 2009/10		FY 2010/11	
	Projec- ted	Actual	Projec- ted	Actual	Projec- ted	Actual
Land Reclamation	0.02	0.02	0.02	0.01	0.02	0.02
Rural Development	0.07	0.12	0.08	0.14	0.08	0.11
People's Works Programme-I	0.02	0.03	0.02	0.06	0.02	0.03
People's Works Programme-II	0.11	0.21	0.11	0.22	0.12	0.12
Safety Nets						
Subsidies	1.78	1.68	1.25	1.60	1.13	1.28
Social Security & Welfare	0.11	0.11	0.18	0.14	0.21	0.10
Benazir Income Support Programme	0.18	0.11	0.33	0.22	0.38	0.19
Pakistan Bait-ul-Maal	0.03	0.01	0.02	0.02	0.04	0.02
Food Support Programme	0.07	0.09	0.05	-	0.08	-
Natural Calamities & Other Disasters	0.02	0.08	0.02	0.09	0.02	0.27
Low Cost Housing	0.01	0.00	0.01	0.01	0.01	0.00
Governance						
Justice Admin	0.05	0.07	0.05	0.07	0.05	0.08
Law and Order	0.36	0.80	0.31	0.98	0.26	0.94
<b>Total PRSP Expenditures</b>	<b>5.86</b>	<b>7.46</b>	<b>6.01</b>	<b>7.57</b>	<b>6.62</b>	<b>6.9</b>

Source: Strengthening PRS Monitoring, Finance Division, Islamabad.

### III. Social Sector Indicators

**2.10** Protecting the poor and vulnerable is the hallmark of the poverty reduction strategy. The government of Pakistan understands the devastatingly negative impact of poverty on precious human resource. Social Protection and Social Safety Net programmes through Zakat, Pakistan Bait-ul-Mal (PBM), Employees' Old Age Benefit Institution (EOBI), Benazir Income Support Programme (BISP), Workers Welfare Fund (WWF) and Micro Finance services are deep rooted in Pakistan's Poverty Reduction Strategy Papers (PRSPs). This section intends to cover the different programmes aimed at providing direct and indirect assistance to the poor. It also reviews the progress of these schemes and the targets that were set in PRSP-II and the actual progress from FY 2008/09 to FY 2010/11.

**2.11** The aggregate budgetary and non-budgetary transfers given in Table 4.1 depict the total disbursements and the total number of beneficiaries under each programme with an actual and projected rate. Total transfers made by all programmes recorded a net decrease of 11 percent in terms of grants and 8 percent in terms of beneficiaries during FY 2010/11 as compared to FY 2009/10. During all three fiscal years of PRSP-II period, the maximum disbursement of Rs. 74,628 million was made in FY 2009/10, followed by Rs. 66,301 million in FY 2010/11 and Rs. 45,840 million in FY 2008/09. The total beneficiaries in the same period were again maximal in FY 2009/10 i.e. 5.87 million, followed by 5.433 million in FY 2010/11 and 4.358 million in FY 2008/09. Whereas the projected rate for these schemes was higher. The total disbursements were predicted at Rs 71308 mn for FY 2010/11. Similarly in FY 2008/09, the predicted rate was Rs 399,187.94 mn. Likewise the projected beneficiaries were 23163269.4 in FY2008/09 and 3039966 for FY2010/11. During the PRSP-II period, the total budgetary to

non budgetary transfers were highest in FY 2009/10 i.e. 84:16 and lowest in FY 2008/09 i.e. 77:23. The same ratio of 83:17 was observed in FY 2010/11. The total budgetary to non budgetary beneficiaries were highest in FY 2010/11 i.e. 91:9 and lowest in FY 2008/09 67:33. The same ratio of 72:28 was recorded in FY 2009/10.

**2.12** The total disbursements under the Social Security and other Welfare in FY 2010/11 declined to Rs 17,617 million from Rs. 20,278 million in FY 2009/10. Under Pakistan Bait-ul-Mal, the total number of beneficiaries declined from 1,915,071 in FY 2009/10 to 1,885,035 in FY 2010/11. In contrast, the projected beneficiaries under the PBM during FY 2008/09 and FY 2010/11 were 2,045,000 and 2,64,1000 in Rs 7,250 mn and Rs 31,588 mn. Whereas the actual beneficiaries for the FY 2008/09 and FY 2010/11 were 1,159,822 and 1,915,071 respectively. The number of beneficiaries under Benazir Income Support Programme (BISP) increased in the course of three years time period i.e. 1.76 million in FY 2008/09 to 3.081 million in FY 2010/11, but it failed to meet the projected number of beneficiaries covered in the BISP programme. In non-budgetary social protection and safety net programmes Zakat, Employees' Old Age Benefit Institution (EOBI), Worker's Welfare Fund (WWF) the actual figures fell short of the projected figures under PRSP-II period. Contrary to this the WWF in FY 2008/09 have shown remarkable performance in the number of beneficiaries that stood at 63,008 mn as compared to the target set in the PRSP-II i.e. 23,760. The actual amount disbursed was Rs 2,087mn that is much smaller as compared to the projections for WWF for FY 2008/09. The aggregate number of loans disbursed under the microcredit observed a decreasing trend in FY 2010/11 i.e. 1,892, 966 while in FY2008/09 and FY2009/10 an increase trend was exhibited from 1,939,050 to 1,966,457 respectively. Table 2.3 reflects upon the performance of different programmes functioning under the social protection and safety nets.

**Table 2.3: Direct Transfers and Beneficiaries**

Programme	Disbursement / Beneficiaries	FY 2008/09		FY 2009/10		FY 2010/11	
<b>Budgetary Transfers</b>							
Social Security & Other Welfare	Total Expenditure (Rs. Million)	Projected	Actual	Projected	Actual	Projected	Actual
	Total Beneficiaries		13,957		20,278	-	17,617
Pakistan Bait-ul-Mal (all Programmes)	Amount Disbursed (Rs. Million)	7,250	3,432		2,602	31,588	3,224
	Total Beneficiaries	2,045,000	1,159,822		1,915,071	2,641,000	1,885,035
BISP	Amount Disbursed (Rs. Million)	34,000	15,800		32,000	-	34,330
	Total Beneficiaries	3.4	1,760,000		2,290,000	7,000	3,081,000
Punjab Sasti Roti Program (PSRP)	Amount Disbursed (Rs. Million)		1900	-	8000	-	-
	Total Beneficiaries			-			-
1. Sub Total: Budgetary Transfers	Amount Disbursed (Rs. Million)	54250	35,089		62,880	31,588	55,171
	Total Beneficiaries	2,945,003.4	2,919,822		4,205,071	2,648,000	4,966,035
<b>Non-Budgetary Transfers</b>							
Zakat	Amount disbursed (Rs. Million)	5123.994	2,877	-	2,874		218.9
	Total Beneficiaries		1,085,378		1,289,050		110,915

Continue...

**Table 2.3: Direct Transfers and Beneficiaries**

Programme	Disbursement / Beneficiaries	FY 2008/09		FY 2009/10		FY 2010/11	
EOBI	Amount disbursed (Rs. Million)	4,839	7,464	-		11059	9,366
	Total Beneficiaries	194,506	300,478	-		363,217	336,281
Workers Welfare Fund (WWF)*	Amount disbursed (Rs. Million)	27,975	2,087		2,432	28,661	1545.5
	Total Beneficiaries	23,760	63,008		70,403	28,749	19,952
2. Sub Total: Non-Budgetary Transfers	Amount Disbursed (Rs. Million)	34,937.944	10,751		11,748	39720	11,130
	Total Beneficiaries	218,266	1,438,386		1,669,805	391,966	467,148
Total : 1+2	Amount Disbursed (Rs. Million)	399,187.94	45,840		74,628	71308	66,301
	Total Beneficiaries	23,163,269.4	4,358,208		5,874,876	3,039,966	5,433,183
Micro Finance (micro credit only)	Amount Disbursed (Rs. Million)	8,500	28,660		33,775		42,384
	Total Loans	910,000	1,939,050		1,966,457		1,892,966

## **Chapter: 3**

### ***Overview of Pakistan's Economy***

*“Government's view of the economy could be summed up in a few short phrases: If it moves, tax it. If it keeps moving, regulate it. And if it stops moving, subsidize it.”*

*-----Ronald Reagan*

A brief review of growth trends in macroeconomic indicators is given below:

## **I. Agriculture**

**3.1** The agriculture sector in Pakistan mainly consists of crops, livestock, fishing and forestry. Majority of the population depends directly or indirectly on income streams generated by the agriculture sector. It provides employment to 44 percent of the country's labor force. The agriculture sector has witnessed a persistent decrease in its share in GDP during the last three fiscal years from 4.0 percent in FY2008/09 to 1.2 percent in FY 2010/11. Its growth fell to a record level of 0.6 percent during the FY 2009/10. The share of agricultural sector during FY 2010/11 noticed a slight increase as compared to FY 2009/10. Low productivity, water shortages, rising seed and fertilizer prices, and energy crisis remained major challenges in the agriculture sector.

**3.2** Despite its undeniable significance for economic growth, exports, employment and food security, the performance of agriculture sector depicted a decreasing trajectory during the PRSP-II period. Growth in the major crop sub-sectors has been falling for the past three years due to natural calamities. Three out of four major crops witnessed negative growth from FY2008/09 to FY2010/11. The major crops accounting for 33.4 percent of GDP in FY 2008/09 declined to 32.8 percent in FY 2009/10. In FY 2010/11 their share in GDP further declined to 31.8 percent.

**3.3** Due to the unprecedented floods in FY 2010/11, the agricultural sector was badly damaged as the two major crops i.e. cotton and rice was hit the hardest by the unpredictable weather conditions. The agricultural sector largely suffered due to water shortages, decline in the availability of seeds and lack of infrastructural invention. Because of the persistent issues, YoY growth area under cultivation of cotton, rice and wheat declined to 18 percent, 13 percent and 2 percent respectively. The actual production of wheat and sugarcane exceeded the targeted amount as it accounted 25.2 percent and 55.30 percent growth respectively in FY 2010/11 showing an improved production scale as compared to FY 2008/09. The actual YoY production under cultivation of major crops of cotton and rice declined in FY 2010/11 whereas during the FY 2008/09, three out of four major crops depicted a slow YoY production rate in rice, sugarcane and wheat.

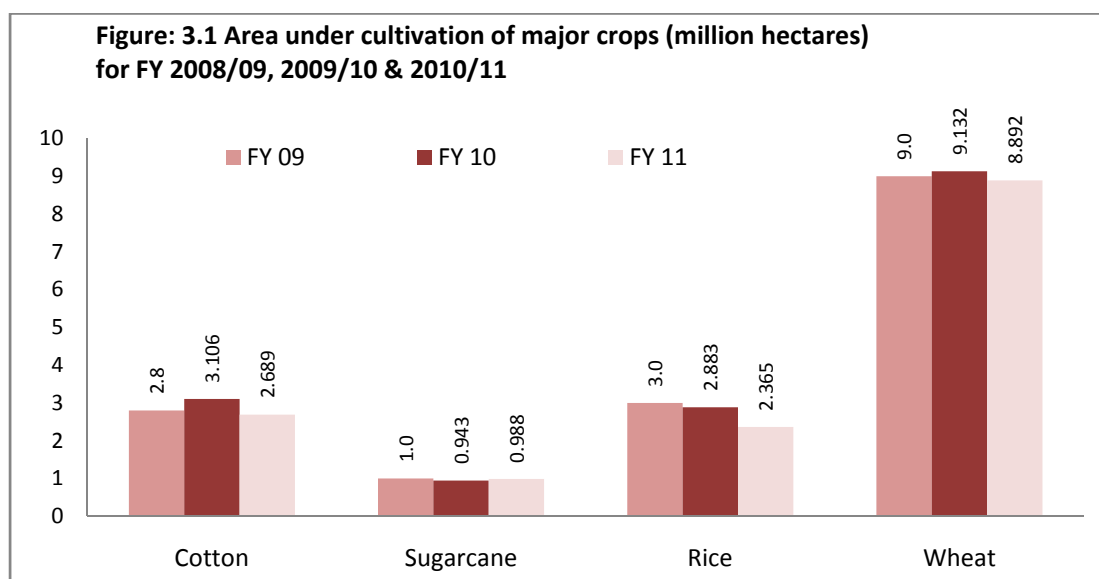


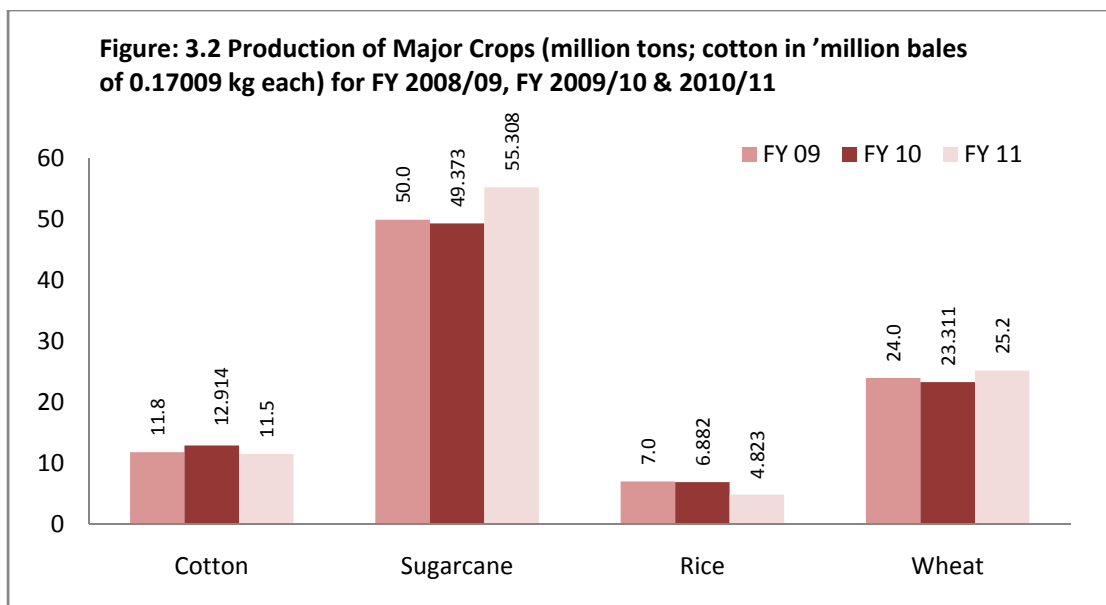
**Table 3.1 : Production and Area under cultivation of major crops and Percentage change**

Area under Cultivation (million hectares)						
Crops	FY 09	FY10	FY11 (Target)	FY11 (Actual)	YoY growth in FY 10	YoY growth in FY 11
Cotton	2.8	3.106	3.2	2.689	10.7	-13.4
Sugarcane	1	0.943	1.07	0.988	-10	4.78
Rice	3	2.883	2.710	2.365	-3.31	-18.0
Wheat	9	9.132	9.045	8.892	1.11	-2.63
Production (million tons; cotton in 'million bales of 0.17009 kg each)						
	FY 09	FY10	FY11 <sup>T</sup>	FY11	YoY growth in FY 10	YoY growth in FY 11
Cotton	11.8	12.914	14.010	11.5	9.3	-11.0
Sugarcane	50	49.373	53.690	55.308	-1.2	12.02
Rice	7	6.882	6.176	4.823	-1.4	-30.0
Wheat	24	23.311	25.000	25.2	-0.41	8.1

Source: Federal Bureau of Statistics (FBS)

**3.4** The graphs given below cover the last three fiscal years from FY 2008/09 to FY 2010/11 for major crops i.e. cotton, sugarcane, rice and wheat. As evident, the production of sugarcane and wheat has improved in the current year whereas the cotton and rice show decline in productivity mainly due to the destruction caused by the floods.





**3.5** Reversing the gloomy growth trajectory rates in agricultural sector is critical to escape the trap of slow economic growth and poverty. Developing the agri-industry as a more diversified and technologically advanced sector requires a precise and thorough intervention in policies. Such policies should provide crop insurance and storage facilities, increase investment in infrastructure to improve water shortage issues; farm-to-market roads, energy and value-chains (e.g. through processing and cold storages).

## II. Manufacturing

**3.6** The manufacturing sector has always been a major contributor in economic growth, employment generation, and trade development of a country. Over the FY2009/10 the manufacturing sector enlarged by 4.9 percent as compared to the negative growth rate of 3.6 percent in FY 2008/09. In FY2010/11 it observed a negative trajectory of 0.1 percent. The lower demand due to global economic meltdown and supply side constraints caused the manufacturing sector to weaken over the last few years.

**3.7** The Large Scale Manufacturing recorded its weakest growth in FY2008/09. Most of the growth in the Large Scale Manufacturing (LSM) was witnessed in FY 2009/10 as it posted an increase of 4.9 percent, while in the FY 2010/11 it declined to 1 percent. The decline of the LSM sector is mainly attributed to factors like weakening of demand in the international and domestic market, inflation, high input costs, high government sector borrowing, crowding out of private sector investment and acute energy shortages.

**3.8** Textile and clothing industry continues to be the driving force of the manufacturing sector. There is no other industry that can complete efficiently in the international market. The textile industry

is pre-dominantly an export orientated industry as it observed an increasing trend in export earnings in the last three fiscal years (FY 2008/09- FY 2010/11). The positive terms of trade have improved the competitiveness of textile industry in particular.

**3.9** Pakistan's Engineering Industry contributes a large share in the overall trade in the country. The Engineering Development Board (EDB) has worked like a bridge between the government and engineering sector of Pakistan by initiating a consultative process with several private sector stakeholders/organizations and through formulation of committees headed by private sector representatives. The Engineering Industry possesses a large potential to grow and contribute to GDP and exports. The automotive industry has progressed well in terms of cars, LCVs/ Jeeps, and two/three wheelers as it managed to record a positive growth of 16.4%, 20.5% and 12.6% respectively during FY2010-11. In the production of trucks, buses and tractors the industry has observed a negative trend of 24.7%, 19.4% and 2.2% respectively during the years under review. The continual decline in production of these automotive products is due to their falling demand as imported vehicles have captured a considerable share of the market. The fertilizer industry is the second largest consumer of gas after the power sector. Its production has taken a sharp downturn because of persistent gas shortages.

**3.10** The importance of Small and Medium Enterprises (SMEs) in economic development cannot be understated. This sector has emerged as a lifeline of Pakistan's economy. According to recent estimates, it contributed 40 percent to the GDP. The number of projects under the SMEs has seen a rising trend in the last few years as it increased from 16 projects to 28 projects in FY 2010/11. A total of Rs 2.8 billion in collaboration with both private and public stakeholders was allocated for these projects.

**3.11** Pakistan has a diverse geological framework, ranging from pre-Cambrian to the present that includes a number of zones hosting several metallic minerals, coal deposits, precious and semi-precious stones. Despite this abundance of resources, the mining and quarrying industry has depicted a mixed trend during FY 2008/09 to FY 2010/11. The mining and quarrying industry improved by 2.2 percent in FY 2009/10 from -0.5 percent but again declined by 0.4 percent depicting an overall negative trend.

### **III. Services**

**3.12** The services sector has emerged as a key contributor in economic growth in the recent years. During the last three years, services sector has observed a rising trajectory growth. This sector has caused a major transformation in the economic landscape since the share of the services sector registered a significant increase of 53.3 percent in the FY 2010-11 which is the maximum growth in the past two decades. The weakest growth rate was seen in FY 2008/09 i.e. 1.7 percent which increased to 4.1 percent in the last fiscal year 2010/11. The FY 2010/11 marked the highest growth rate compared to FYs 2008/09 and 2009/10 of the PRSP-II era.

**3.13** The services sector comprises of transport, wholesale and retail trade, public administration and defense, finance and insurance, and social services. During the last few years, the services sector has been dominated by the public administration and defense sector. This is due to the rise in government employees and higher defense spending in the previous decades. Increase in social sector services because of the logistics support and flood relief activities have also enlarged the share of public administration and defense. However, the performance of finance and insurance sector has deteriorated due to the global financial crisis in the course of three years.

## IV. Inflation

**3.14** Inflationary pressures heightened around the world in the course of last few years; driven mostly by the soaring food, and oil prices. The intensification of inflation during these years was due to domestic food and non-food inflation, high global commodity prices and domestic market imperfections. The devastating floods and strong global prices of oil and agricultural commodities along with the massive government borrowings kept the inflation rate in double digits for three consecutive years from FY 2008/09 to FY 2010/11. The supply constraints have also upset the economic growth badly; disrupting gas and electricity shortages; and increasing cost of capital.

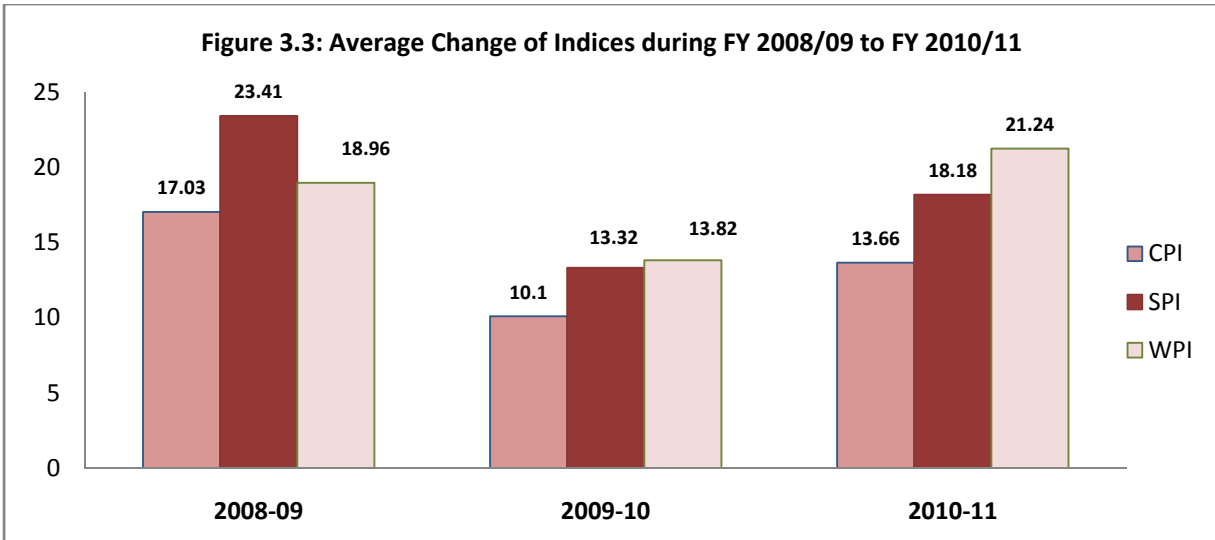
**3.15** All price indices depicted a substantial increase in the outgoing FY 2010/11 posing serious concerns to the macroeconomic stability of Pakistan (see table 3.2). The inflation rate fell sharply to 10.1 percent in FY2009/10 as compared to 17.03 in the FY2008/09. It witnessed an increase of 13.7 percent in FY 2010/11 against the government’s target of 9.5 percent. Inflation as measured by Wholesale Price Index (WPI) and Sensitive Price Index (SPI) showed a significant rise in the course of three years. The Wholesale Price Index (WPI) in the preceding year has increased in spite of deceleration in FY 2009/10 of 13.82 percent as compared to the FY 2008/09 i.e. 18.96 percent.

**3.16** Due to the devastating floods, a significant portion of agricultural land was seriously damaged by floods in terms of infrastructure (e.g. roads, canal system, communication, government buildings etc) and displaced over two million people. Resultantly, the food inflation intensified sharply over the years. The Government’s policy decision of increasing the discount rate to 13 percent in July 2010 was ineffective in curbing inflation since the government borrowings from the SBP increased drastically due to floods. Table 3.2 gives the average price indices during the last three years – FY2008/09 to FY 2010/11.

**Table 3.2: Average July –June, over same period of previous years (Change of indices in %)**

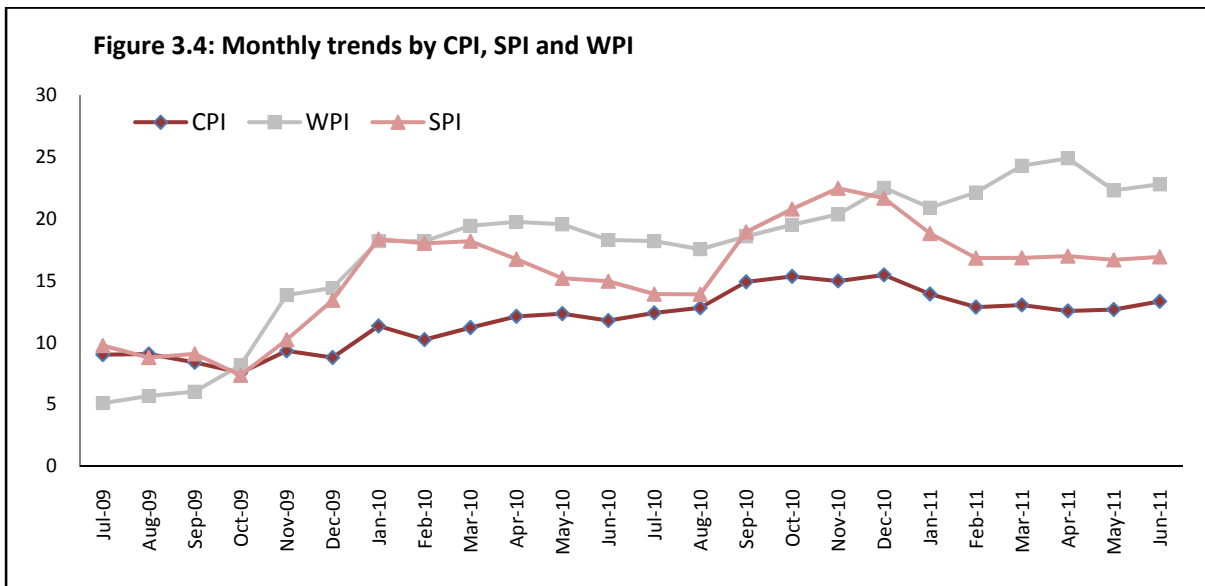
Index	2008-09	2009/10	2010-11
CPI	17.03	10.10	13.66
SPI	23.41	13.32	18.18
WPI	18.96	13.82	21.24

Source: Federal Bureau of Statistics (FBS)



Source: Federal Bureau of Statistics (FBS)

**3.17** As evident from the given figure (Fig 3.3), the Sensitive Price Index (SPI) during Nov FY10 showed a considerable increase. Similarly, the Wholesale price Index (WPI) depicted an increasing trajectory from FY 2009/10 to FY 2010/11. Moreover, the Consumer Price Index (CPI) observed a declining trend in the second half of the outgoing FY 2010/11 as seen in Fig 3.3. The figure given below takes into account the monthly trends of CPI, SPI and WPI from FY10 to FY 11.

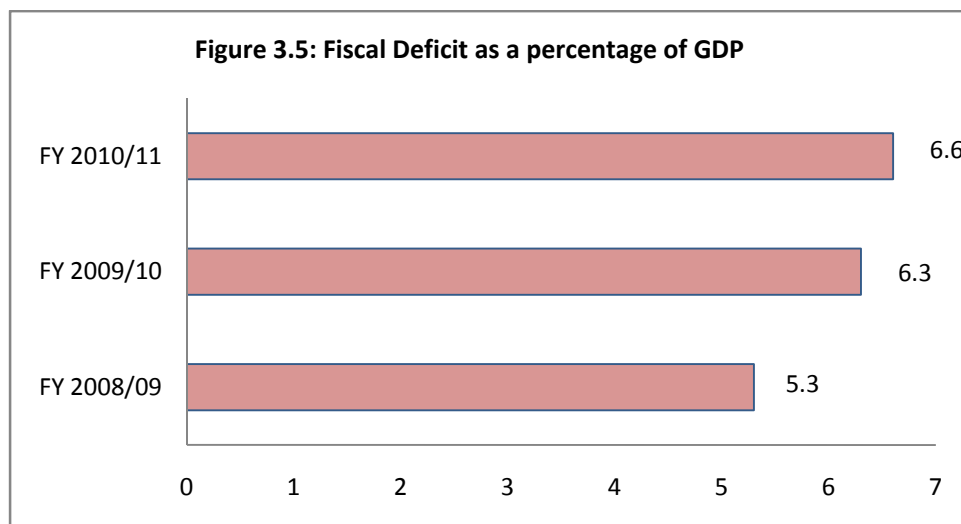


Source: Federal Bureau of Statistics (FBS)

## V. Fiscal Balance:

**3.18** During the last three years, Pakistan's fiscal position worsened considerably as its fiscal deficit rose to Rs 1194.4 billion in FY 2010/11 from Rs. 680.4 billion in FY 2008/09. The increase in current expenditures was at the cost of drastic cuts in development expenditures. The catastrophic floods that hit Pakistan slowed the economic growth drastically and posed grave challenges for limited revenues. The urgent additional spending to meet the humanitarian and reconstruction needs worsened the fiscal balance. Fiscal deficit as a percentage of GDP has seen a persistent increase in the last few years. Fiscal deficit rose from 5.3 percent in FY2008/09 to 6.6 percent in FY 2010/11.

**3.19** A low and decreasing tax-to-GDP ratio and increasing public debt stock has imposed a constraint on fiscal stimulus to support revival of growth momentum needed for the economy. Pakistan is confronted with the issue of stagnant tax to GDP ratio; owing mainly to structural deficiencies in the tax and administration system. This issue can only be rectified by taking tough measures to increase revenues through acquiring more people in tax net.



Source: State Bank of Pakistan (SBP)

## Revenues

**3.20** Pakistan's taxation system historically lies well below the tax to GDP ratio of other developing countries. The tax to GDP rate in FY 2010/11 was 9.2 percent. Despite the unresponsive economic condition in the last few years, the FBR has still managed to increase its total tax share as it rose from Rs 1,472.8 billion in FY 2008/09 to Rs 1699.3 billion in FY 2010/11. Compared to preceding FY 2009/10, it posted an appreciable performance despite of crippled economic activities reflecting an increase of 25 percent.

**3.21** During the three years of PRSP – II era, the overall performance of tax heads was considerably fair. Sales tax and direct taxes collection improved as the total direct tax collected in FY 2010/11 was 657 billion. In FY 2008/09, the Excise duty tax was Rs 117.4 billion which increased to Rs 153.6 billion in

outgoing FY 2010/11. The performance of custom tax has been modest in last few years, Rs 148 billion (FY 2008/09) to Rs 180.8 billion (2010/11). Major spinners for custom tax have been automobiles, edible oil, petroleum products and machinery.

**Table 3.3 : Tax Collections during FY 2008/09 - FY 2010/11**

Tax Heads	FY 2008/09 (Rs. Billion)	FY 2009/10 (Rs. Billion)	FY 2010/11 (Rs. Billion)
Direct Taxes	444	529	657
Sales tax	452	516	674
FED	117.4	121	153.6
Customs	148	162	180.8
Total	1,161.4	1,328	1,665.40

Source: Federal Board of Revenue (FBR)

**3.22** The table given below reflects the share of direct and indirect taxes in total tax revenues during the last three years. Sales taxes have shown an increasing trend in the last three years from 63 percent in FY2008/09 to 66.9 in FY2010/11. It has become an essential consumption tax and accounted for two-third of the indirect taxes in FY2010/11. Federal Excise Duty (FED) and Custom taxes depicted a decreasing trend during the same period.

**Table 3.4: Share of Direct and Indirect taxes in Total Tax Revenue during FY 2008/09 and FY 2010/11 (in %)**

Tax Heads	FY 2008/09	FY 2009/10	FY 2010/11
Direct Taxes	38.2	39.9	38.4
Sales tax	63.0	64.6	66.9
FED	16.4	15.1	15.2
Customs	20.6	20.3	17.9

Source: Federal Board of Revenue (FBR)

## VI. External Account:

**3.23** Pakistan's external account balance depicts an overall increasing trend with a surplus of US \$ 2.5 billion in FY 2010/11 against US\$ 1.3 billion surplus in FY 2009/10 and US\$ 3.1 billion (deficit) in FY2008/09. This significant improvement in external account is mainly due to outstanding performance of Current Account that overshadowed the declining trend observed in Financial Account.

**3.24** Current account witnessed a surplus of US\$ 0.3 billion in FY 2010/11 after remaining in deficits for six consecutive years. Current account deficit of US\$ 3.9 billion in FY 2009/10 and US\$ 9.3 billion in FY 2008/09 reflected continued improvement in the last two years. This stupendous progress in current account balance is the result of healthy growth trends in exports and worker's remittances.

**3.25** Trade deficit (US\$ 10.5 billion in FY 2010/11; US\$ 11.5 billion in FY 2009/10; and US\$ 12.6 in FY 2008/09) continued to contract for the third consecutive year. Unlike the FY2010 where a shortfall in imports caused the contraction in deficit, in FY2011 this contraction is the outcome of abrupt exports growth of 28.4 percent from 3.14 percent in FY 2009/10. This rapid growth in exports further hampered the impact of 14.7 percent growth in imports. This encouraging growth in exports is backed

by better unit prices for textile products, rising international cotton prices and other favorable developments in global markets, thus reflecting an increased demand for Pakistani exports.

**3.26** Worker's remittances are the second most important contributor in improved external account balance in the three years under review. Worker's remittances of increased to US\$ 11.2 billion in FY 2010/11 from US\$ 8.9 billion in FY 2009/10 and US\$ 7.8 billion in FY 2008/09, recording a significant growth of 25.8 percent and 14.1 percent respectively. Numerous factors contributed to this growth in remittances these include lack of investment opportunities abroad, channelizing remittances through banking system, curbing market premium reduction, enhancement in worker's skill level, and increased flood related grants. Gulf Regions, which have recovered after last year's financial crisis in Dubai, generated more than half of the remittances.

**3.27** Financial Account recorded a surplus of US\$ 2.2 billion in FY 2010/11 as compared to US\$ 5.2 billion in FY2009/10 and US\$ 6.1 billion in FY2008/09 respectively, depicting a declining trend for the fourth consecutive year. Foreign Direct Investment also depicted a downtrend from US\$ 3.7 billion in FY 2008/09, to US\$ 2.2 billion in FY 2009/10 and US\$ 1.6 in FY 2010/11. This decline in FDI was the main cause of reduction in financial account surplus.

**3.28** Exchange rate of Pak Rupee reflected stability during the course of three years as it depreciated nominally by 0.7 percent in FY 2010/11 against 4.7 percent in FY 2009/10 and 12 percent in FY2008/09. This improved stability in Pak Rupee/US\$ is attributable to encouraging performance witnessed in the external account.



## **Chapter: 4**

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# ***Pro Poor Budgetary Expenditures***

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*“The conflict between equality and efficiency is our biggest socio-economic tradeoff, and it plagues us in dozens of dimensions of social policy. How can we have our cake of market efficiency and share it equally?”*

*-----Arthur Okun (1975)*

**4.1** Since the initiation of PRSP-II in FY 2008/09, pro-poor expenditures in 17 sectors have been reported regularly on a quarterly and annual basis. This section gives an overview of the expenditures incurred since FY 2008/09. The 17 pro-poor sectors will be revisited during compilation of PRSP-III in the light of changing socio-economic conditions of the country.

**4.2** Table 4.1 gives the aggregate PRSP expenditures. These expenditures have increased over time in nominal terms. PRSP expenditures in FY 2010/11 incurred on 17 pro poor sectors accounted Rs. 1,245,541 million, with the highest amount of spending incurred in Education (Rs. 322,334 million); followed by Subsidies, Law & Order and Agriculture sectors. Total expenditures reached 6.9 percent of GDP in FY2010/11. Fiscal Responsibility & Debt Limitation (FRDL) Act, 2005 requires that the Poverty and Social sector related expenditures should not be less than 4.5 percent of GDP in any given year. The total expenditures were therefore well above the required level.

**Table 4.1: PRSP Budgetary Expenditures for FY 2010/11**

Sector	Expenditures (Rs. million)	as %age of GDP
<b>Market Access and Community Services</b>		
Roads, Highways, & Bridges	99,567	0.55
Environment/Water Supply & Sanitation	28,506	0.16
<b>Human Development</b>		
Education	322,334	1.78
Health	106,017	0.59
Population Planning	4,861	0.03
<b>Rural Development</b>		
Agriculture	115,511	0.64
Land Reclamation	3,669	0.02
Rural Development	19,109	0.11
People's Works Programme-I	5,049	0.03
People's Works Programme-II	21,300	0.12
<b>Safety Nets</b>		
Subsidies*	230,945	1.28
Social Security & Welfare	17,617	0.10
Benazir Income Support Programme	34,330	0.19
Pakistan Bait-ul-Maal	3,224	0.02
Food Support Programme	0	0.00
Natural Calamities & Other Disasters	49,115	0.27
Low Cost Housing	373	0.00
<b>Governance</b>		
Justice Admin	14,223	0.08
Law and Order	169,791	0.94
<b>GRAND TOTAL</b>	<b>1,245,541</b>	<b>6.90</b>
<b>GDP (Rs. Billions)**</b>	<b>18,063</b>	

Source: Civil Accounts provided by Accountant General's Office

\* Food Subsidies of Account-II for Khyber Pakhtunkhwa (KP) are not included in the total PRSP expenditures.

\*\*GDP at market prices----- Source: Economic Advisor's Wing

**4.3** The overall PRSP expenditures depicted a significant growth of 12.13 percent in FY 2010/11 and 13.66 percent in FY 2009/10. According to figures given in table 3.2 budgetary expenditures in 17 pro-

poor sectors increased to Rs. 1,245,541 million in FY2010/11 depicting an increase of Rs. 134,779 million from FY 2009/10. Expenditures related to 'Natural Calamities & other Disasters' witnessed maximum YoY growth of 291.42% in FY 2010/11 on account of massive floods. Strongly positive growth trends were observed in five subsectors this contributed to an overall increase in expenditures. These sectors include Land Reclamation, Education, Health, Justice Administration and Law & Order. On the other hand Population Planning, Rural Development, Social Security & Welfare, Low Cost Housing, People's Works Programme I & II and Subsidies restrained the overall expenditures growth with their negative growth trends in FY 2010/11 as compared to FY 2009/10.

**4.4** According to figures given in table 4.2, all categories have exhibited a positive growth trend in FY 2010/11 except 'Rural Development' which registered a negative growth of 1.63 percent. Aggregate expenditures in 'Human Development' exhibited the highest YoY growth of 20.01 percent followed by 'Governance' and 'Safety Nets' with 19 percent and 10.44 percent respectively. 'Market Access and Community Services' depicted a slight growth of 3.36 percent in its expenditures in FY2010/11.

**Table 4.2: Sectoral PRSP Budgetary Expenditures and Percentage Changes during FY 2008/09 - FY 2010/11**

Sector	Expenditure (Rs. millions)			Percentage Change	
	FY 2008/09	FY 2009-10	FY 2010-11	FY 2009/10 over FY 2008/09	FY 2010/11 over FY 2009/10
Market Access and Community Services	121,817	123,915	128,073	1.72	3.36
Roads, Highways, & Bridges	99,613	98,456	99,567	-1.16	1.13
Environment/Water Supply & Sanitation	22,204	25,459	28,506	14.66	11.97
Human Development	329,437	360,972	433,212	9.57	20.01
Education	240,378	259,525	322,334	7.97	24.20
Health	83,714	94,399	106,017	12.76	12.31
Population Planning	5,345	7,048	4,861	31.86	-31.03
Rural Development	139,341	167,367	164,638	20.11	-1.63
Agriculture	88,912	104,815	115,511	17.89	10.20
Land Reclamation	2,738	1,990	3,669	-27.32	84.37
Rural Development	16,362	20,391	19,109	24.62	-6.29
People's Works Programme-I	3,329	8,417	5,049	152.84	-40.01
People's Works Programme-II	28,000	31,754	21,300	13.41	-32.92
Safety Nets	272,782	303,873	335,604	11.40	10.44
Subsidies	220,567	234,926	230,945*	6.51	-1.69
Social Security & Welfare	13,957	20,278	17,617	45.29	-13.12
Benazir Income Support Programme	14003	32,032	34,330	128.75	7.17
Pakistan Bait-ul-Maal	1169	2,261	3,224	93.41	42.59
Food Support Programme	12,420	0	0	-100.00	0.00
Natural Calamities & Other Disasters	10,083	12,548	49,115	24.45	291.42
Low Cost Housing	583	1,828	373	213.55	-79.60
Governance	113,851	154,635	184,014	35.82	19.00
Justice Admin	9,193	10,996	14,223	19.61	29.35
Law and Order	104,658	143,639	169,791	37.25	18.21
GRAND TOTAL	977,228	1,110,762	1,245,541	13.66	12.13
GDP (Rs. Billions)**	13095	14,668	18,063		
Expenditure as %age of GDP	7.46	7.57	6.90		

Source: Civil Accounts provided by Accountant General's Office

\* Food Subsidies of Account-II for Khyber Pakhtunkhwa (KP) are not included in the total PRSP expenditures.

\*\*GDP at market prices----- Source: Economic Advisor's Wing

**4.5** Expenditure growth under Market Access and Community Services has doubled from 1.72 percent in FY 2009/10 to 3.36 in FY 2010/11. This increase was witnessed on account of 11.97 percent increase in expenditures for Environment/Water supply & sanitation and a slight growth of 1.13 percent in expenditure on Roads, Highways & Bridges.

**4.6** The expenditure in the Human Development has experienced an increase of 10.44 percent from 9.57 percent in FY2009/10 to 20.01 in FY2010/11. Education and Health sectors exhibited significantly positive growth in expenditure of 24.2 percent and 12.31 percent in FY2009/10 and FY2010/11 respectively. Conversely, a strongly negative growth of -31.03 percent was witnessed in Population Planning expenditures that declined from Rs. 7,048 million in FY 2009/10 to Rs. 4,861 million in FY 2010/11.

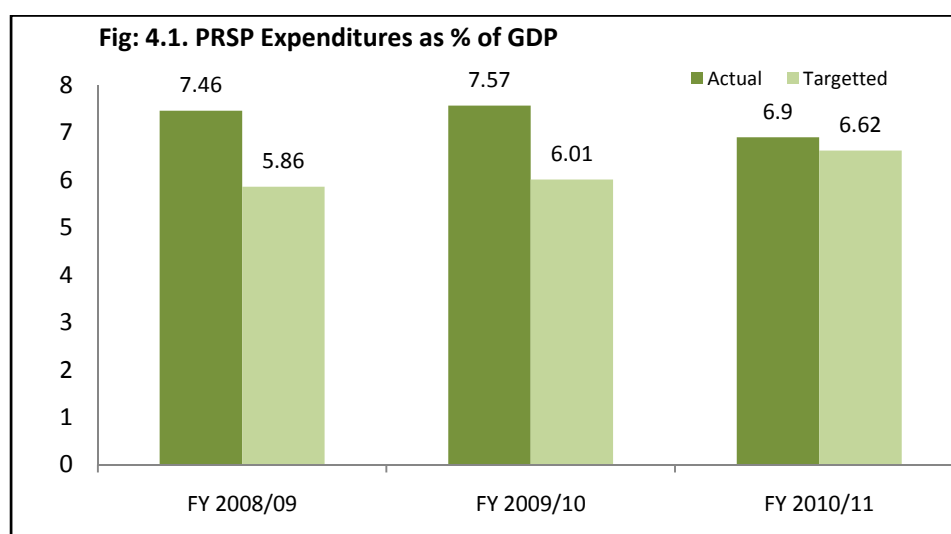
**4.7** Rural Development experienced the second largest percentage change in its expenditures in FY2009/10 over FY2008/09 whereas it is the only category with negative expenditures growth of 1.63 percent in FY2010/11. This change occurred due to government's decision to curtail down the development spending under People's Works Programme-I & II by 40.01 percent in FY2009/10 and 32.92 percent in FY2010/11. Positive growth trends of 10.20 percent and 84.37 percent were observed in Agriculture and Land Reclamation respectively.

**4.8** In the Safety Nets percentage change in expenditures observed in FY 2010/11 was 0.96 percent below the expenditure made in FY2009/10. All the subsectors depicted positive growth in their expenditures during the above mentioned period. 'Natural Calamities & Other Disasters' experienced maximum increase of 291.42 percent followed by Pakistan Bait-ul-Maal (PBM) and Benazir Income Support Programme (BISP) of 42.59 percent and 7.17 percent respectively. No expenditure was incurred in the Food Support Programme in FY 2009/10 and FY 2010/11 because it was merged in BISP as part of the policy to consolidate all cash transfer programmes. Contrary to this some sectors endured negative growth trends as expenditures in Subsidies, Social Security & Welfare and Land Reclamation declined by 1.69 percent, 13.12 percent and 79.6 percent respectively. Decline in subsidies can be explained by the government's concerted effort to move away from board subsidization and to provide direct assistance to the poor and deserving.

**4.9** In the Governance, Law & Order and Justice Admin depicted robust growth trends from FY2009/10 to FY2010/11. Increased expenditures under this category were due to the demanding security situation in the country. The Law & Order related expenditures were recorded at 19.61 percent in FY2009/10 over FY2008/09; and 29.35 percent in FY2010/11 over FY2009/10. The Justice Admin expenditures stood at 37.25 percent in FY2009/10 over FY2008/09; and 18.21 percent in FY2010/11 over FY2009/10.

## PRSP Budgetary Expenditures as percentage of GDP

**4.10** Aggregate PRSP expenditures were recorded at 6.9 of GDP in FY 2010/11 followed by 7.57 percent of GDP in FY 2009/10 and 7.46 percent of GDP in FY 2008/09 (see Fig 4.1). This decline in expenditures in terms of GDP from FY 2009/10 to FY 2010/11 is primarily due to the reduction in development spending on account of government's obligation towards rehabilitation activities against massive floods.



Source: Strengthening PRS Monitoring, Finance Division, Islamabad

**4.11** The Overall PRSP expenditures in terms of GDP (Table 4.3) have declined to 6.9 percent in FY 2010/11 from 7.57 percent in FY 2009/10 and 7.46 percent in FY 2008/09. The PRSP development expenditures as percentage of GDP persistently depicted a negative trend during the three years under comparison from 2.36 percent in FY 2008/09 to 2.22 percent in FY 2009/10; and 1.84 percent in FY 2010/11. This continuous decline in PRSP development expenditures was due to a sharp reduction development spending by the government. During the same period, PRSP current expenditures first experienced an uptrend from 5.11 percent in FY 2008/09 to 5.35 percent in FY 2009/10, and declined to 5.06 percent in FY 2010/11.

**Table 4.3: Total PRSP Expenditures (Current & Development) as percentage of GDP FY 2008/09 - FY 2010/11**

Fiscal Year	PRSP Expenditure (Rs. Million)			GDP (Rs. Billion)	As Percentage of GDP		
	Current	Development	Total		Current	Development	Total
2008/09	668,776	308,452	977,228	13095	5.11	2.36	7.46
2009/10	784,556	326,206	1,110,762	14,668	5.35	2.22	7.57
2010/11	913,237	332,304	1,245,541	18,063	5.06	1.84	6.90

Source: Civil Accounts provided by Accountant General's Office

**4.12** Expenditures in the Pro poor sectors of 'Human Development' and 'Safety Nets' recorded the maximum growth of 2.40 percent and 1.86 percent of GDP respectively in FY2010/11. Expenditures in 'Natural Calamities & Other Disasters' observed growth of 0.18 percent of GDP from 0.09 percent of GDP in FY 2009/10 to 0.27 percent of GDP in FY 2010/11. Seven sectors where PRSP expenditures as

percentage of GDP in FY 2010/11 have not surpassed those in FY 2009/10 consisting of; Roads Highways & Bridges, Health, Agriculture, People’s Works Programme-II, Subsidies, Social Security & Welfare and Law & Order. Slight increase of 0.01 percent of GDP was depicted in expenditures for Education, Land Reclamation and Justice Admin. In the remaining sectors, PRSP expenditures as percentage of GDP declined marginally in FY 2010/11 as compared to FY 2009/10. (Table 4.4)

**Table 4.4 : Sectoral PRSP Expenditures as percentage of GDP**

Sector	Expenditure as percentage of GDP		
	FY 2008-09	FY 2009-10	FY 2010-11
<b>Market Access and Community Services</b>	<b>0.93</b>	<b>0.84</b>	<b>0.71</b>
Roads, Highways, & Bridges	0.76	0.67	0.55
Environment/Water Supply & Sanitation	0.17	0.17	0.16
<b>Human Development</b>	<b>2.52</b>	<b>2.46</b>	<b>2.40</b>
Education	1.84	1.77	1.78
Health	0.64	0.64	0.59
Population Planning	0.04	0.05	0.03
<b>Rural Development</b>	<b>1.06</b>	<b>1.14</b>	<b>0.91</b>
Agriculture	0.68	0.71	0.64
Land Reclamation	0.02	0.01	0.02
Rural Development	0.12	0.14	0.11
People's Works Programme-I	0.03	0.06	0.03
People's Works Programme-II	0.21	0.22	0.12
<b>Safety Nets</b>	<b>2.08</b>	<b>2.07</b>	<b>1.86</b>
Subsidies	1.68	1.60	1.28
<b>Social Security &amp; Welfare</b>	<b>0.11</b>	<b>0.14</b>	<b>0.10</b>
Benazir Income Support Programme	0.11	0.22	0.19
Pakistan Bait-ul-Maal	0.01	0.02	0.02
Food Support Programme	0.09	0.00	0.00
Natural Calamities & Other Disasters	0.08	0.09	0.27
Low Cost Housing	0.00	0.01	0.00
<b>Governance</b>	<b>0.87</b>	<b>1.05</b>	<b>1.02</b>
Justice Admin	0.07	0.07	0.08
Law and Order	0.80	0.98	0.94
<b>GRAND TOTAL</b>	<b>7.46</b>	<b>7.57</b>	<b>6.90</b>

Source: Strengthening PRS Monitoring, Finance Division, Islamabad.

## Distribution of Expenditures

**4.13** Proportional distribution of expenditures in pro-poor sectors reflected a similar pattern under the three years under review (see Table 4.5 & Fig 4.2). Education holds the maximum share of PRSP expenditures i.e. 24.6 percent in FY2008/09, 23.36 percent in FY2009/10 and 25.88 percent in FY

2010/11. Followed by Subsidies expenditure of 22.57 percent in FY2008/09, 21.15 percent in FY 2009/10 and 18.54 percent in FY2010/11. Law & Order expenditure was recorded at 10.71 percent in FY2008/09, 12.93 percent in FY2009/10 and 13.63 percent in FY2010/11, depicting an increasing trend. Share of subsidies has declined by 2.61 percentage points in FY 2010/11, in contrast to the share of Natural Calamities & Other Disasters which increased by 2.81 percentage points in FY2010/11.

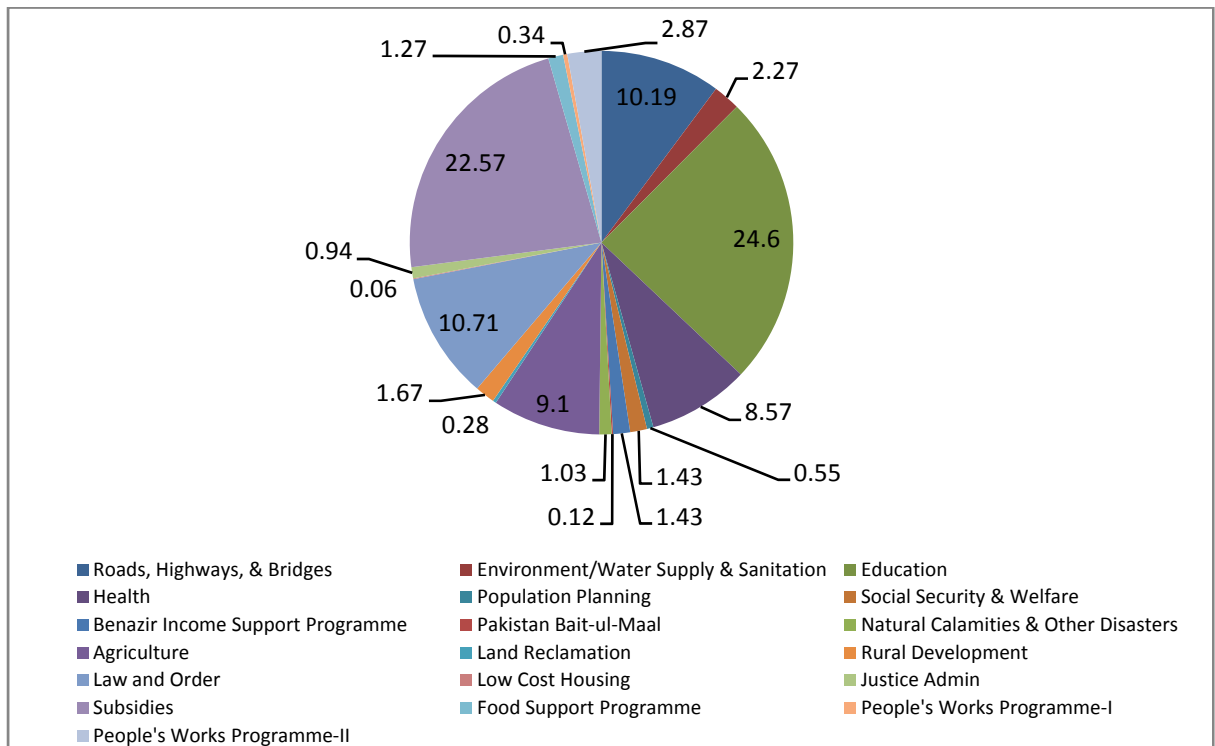
**Table 4.5: Sector-wise Proportional Contribution in PRSP Expenditures**

Sector	FY 2008-09	% age of Total Expenditure	FY 2009-10	% age of Total Expenditure	FY 2010-11	% age of Total Expenditure
Roads, Highways, & Bridges	99,613	10.19	98,456	8.86	99,567	7.99
Environment/Water Supply & Sanitation	22,204	2.27	25,459	2.29	28,506	2.29
Education	240,378	24.60	259,525	23.36	322,334	25.88
Health	83,714	8.57	94,399	8.50	106,017	8.51
Population Planning	5,345	0.55	7,048	0.63	4,861	0.39
Social Security & Welfare	13,957	1.43	20,278	1.83	17,617	1.41
Benazir Income Support Programme	14,003	1.43	32,032	2.88	34,330	2.76
Pakistan Bait-ul-Maal	1,169	0.12	2,261	0.20	3,224	0.26
Natural Calamities & Other Disasters	10,083	1.03	12,548	1.13	49,115	3.94
Agriculture	88,912	9.10	104,815	9.44	115,511	9.27
Land Reclamation	2,738	0.28	1,990	0.18	3,669	0.29
Rural Development	16,362	1.67	20,391	1.84	19,109	1.53
Law and Order	104,658	10.71	143,639	12.93	169,791	13.63
Low Cost Housing	583	0.06	1,828	0.16	373	0.03
Justice Admin	9,193	0.94	10,996	0.99	14,223	1.14
Subsidies	220,567	22.57	234,926	21.15	230,945	18.54
Food Support Programme	12,420	1.27	0	0.00	0	0.00
People's Works Programme-I	3,329	0.34	8,417	0.76	5,049	0.41
People's Works Programme-II	28,000	2.87	31,754	2.86	21,300	1.71
GRAND TOTAL	977,228	100	1,110,762	100	1,245,541	100

Source: Strengthening PRS Monitoring, Finance Division, Islamabad.

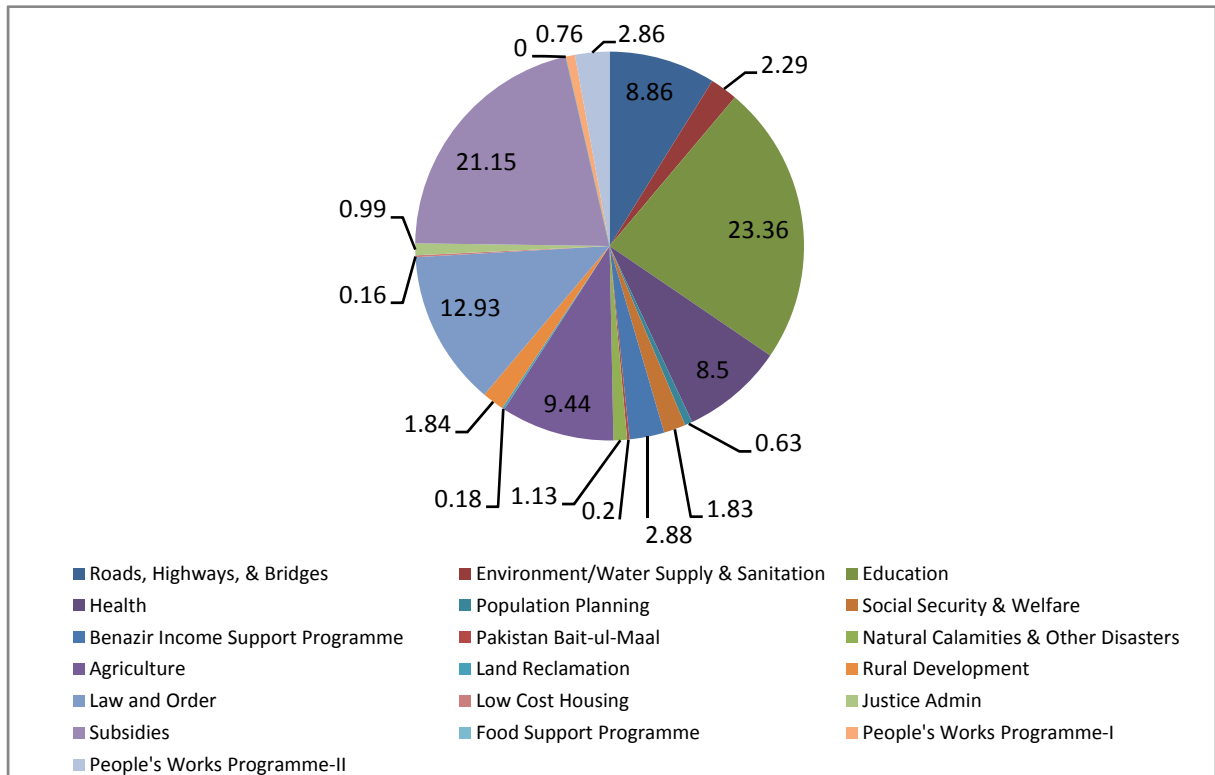
**4.14** Proportional share of Environment/Water Supply & Sanitation and Health sectors remained unchanged in FY2009/10 and FY2010/11 whereas all the other sectors experienced a negligible increase or decrease of less than one percentage points in their contribution to overall PRSP expenditures.

**Figure 4.2: Sector-wise Proportional Contribution in PRSP Expenditures (FY 2008/09)**



Source: Strengthening PRS Monitoring, Finance Division, Islamabad.

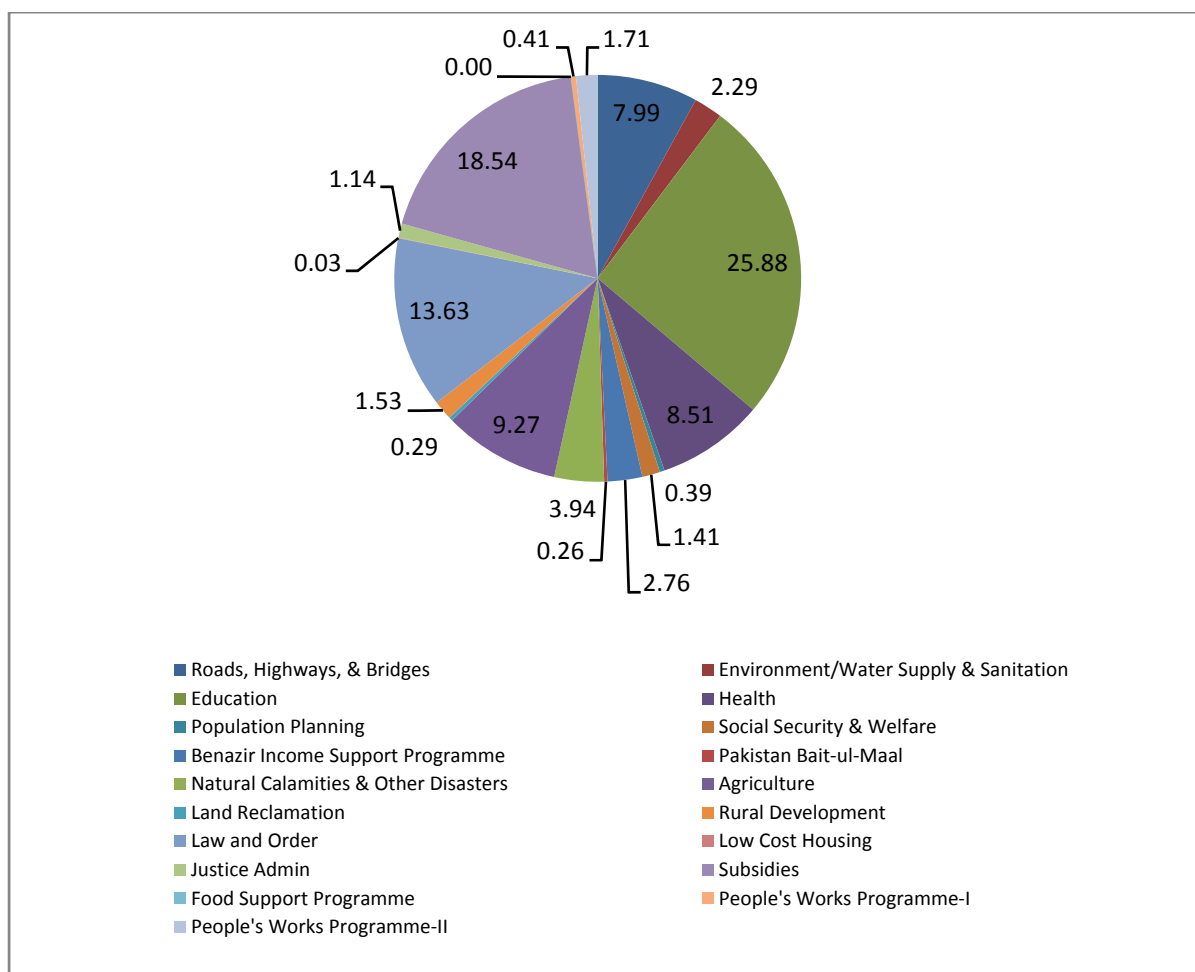
**Figure 4.3: Sector-wise Proportional Contribution in PRSP Expenditures (FY 2009/10)**



Source: Strengthening PRS Monitoring, Finance Division, Islamabad.

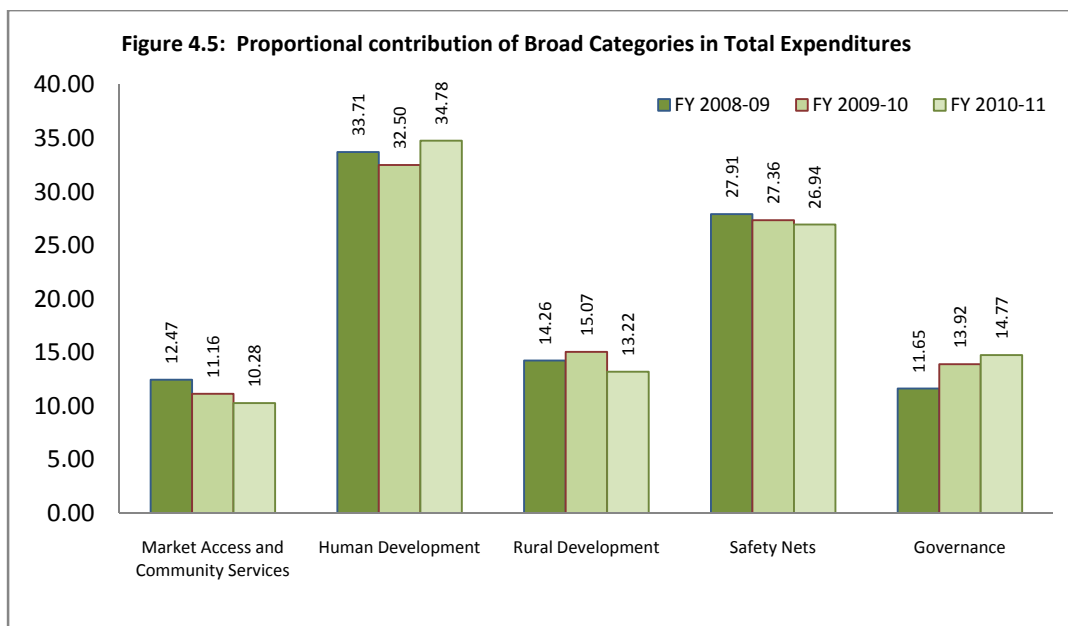


Figure 4.4: Sector-wise Proportional Contribution in PRSP Expenditures (FY2010/11)



Source: Strengthening PRS Monitoring, Finance Division, Islamabad.

**4.15** Figures 4.2, 4.3 and 4.4 give the Sector-wise Proportional Contribution in PRSP Expenditures of various pro-poor sectors in the year 2008-09, 2009-10 and 2010-11. According to Figure 4.5 'Human Development' held the maximum share of 33.71 percent in FY 2008/09, 32.5 percent in FY 2009/10; and 34.78 percent in FY2010/11. Followed by 'Safety nets' with the second largest share of 27.91 percent in FY2008/09; 27.36 percent in FY2009/10, and 26.94 percent in FY2010/11. Market Access and Community Services continued with the lowest contribution of 12.47 percent in FY2008/09, 11.16 percent in FY 2009/10 and 10.28 percent in FY 2010/11 in overall expenditures. In cumulative terms, expenditure shares of Human Development and Governance have risen by 1.07 and 3.12 percentage points respectively. Safety Nets, Rural Development and Market Access & Community Services have declined by 0.97, 1.04 and 2.19 percentage points respectively during FY 2008/09 to FY 2010/11.



Source: Strengthening PRS Monitoring, Finance Division, Islamabad.

## PRSP Budgetary Expenditures by Province and Sectors

**4.16** PRSP Budgetary expenditures when examined at provincial level, exhibited positive trends in all the provinces during the three years period under comparison except for KP in FY 2010/11. Maximum increase in expenditures in FY 2010/11 over FY 2009/10 was observed in Balochistan which rose to 67.7 percent followed by 21.13 percent growth in Sindh. KP is the only province with negative growth in expenditures i.e. 4.49 percent due to very low spending in Education and Rural Development sectors. The expenditures in Education and Rural Development declined by a significant 34.19 and 17.96 percent respectively in KP (see, table 4.6).

**4.17** Figures given in Table 4.6 clearly suggest that Pakistan's overall expenditures in Natural Calamities and Justice Admin registered a substantial increase due to devastating floods. Maximum increase in expenditures of 8140 percent was recorded in Balochistan for Natural Calamities & Other Disasters and in KP of 40.91 percent for Justice Admin. Expenditures in Education, Health and Population Planning showed a positive trend in all the provinces except in KP for Education where it declined by 34.19 percent. Balochistan exhibited the maximum increase in Education, Health and Population planning expenditures in the above three sectors with 66.15, 62.92 and 50.41 percent respectively in FY2010/11.

Table 4.6: Percentage Change in PRSP Budgetary Expenditures by Sector and Province

Sector	FY 2009/10 over FY 2008/09						FY 2010/11 over FY 2009/10					
	Fed	Pun	Sindh	KP	Bal	Pak	Fed	Pun	Sindh	KP	Bal	Pak
Roads, Highways, & Bridges	-23.34	-2.28	-12.45	16.05	66.46	-1.16	4.77	-14.22	-12.98	47.71	85.9	1.13
Environment/Water Supply & Sanitation	125.00	7.58	15.34	17.87	38.91	14.66	97.92	22.86	-27.91	-10.49	63.91	11.97
Education	4.58	3.21	8.35	21.53	25.85	7.97	28.81	33.71	36.52	-34.19	66.15	24.2
Health	37.89	6.55	7.43	-1.73	25.71	12.76	-1.68	13.26	17.82	9.49	62.92	12.31
Population Planning	42.00	14.27	33.43	18.06	47.77	31.86	-76.94	10.67	17.51	12.24	50.41	-31.03
Social Security & Welfare	120.19	-3.31	56.85	7.31	-4.25	87.34	2.75	-29.08	-18.14	80.65	220.56	-13.12
Benazir Income Support Programme	128.75	-	-	-	-	128.75	7.17	-	-	-	-	7.17
Pakistan Bait-ul-Maal	93.41	-	-	-	-	93.41	42.59	-	-	-	-	42.59
Natural Calamities & Other Disasters	-15.55	-12.25	880.12	311.74	-98.07	24.45	402.01	319.45	529.5	47.51	8140	291.42
Agriculture	10.17	12.63	29.35	19.48	37.67	17.89	-9.89	-1.73	30.15	45.03	35.28	10.2
Land Reclamation	0.00	0.00	-29.24	0.00	0.00	-27.32	0.00	61.67	86.63	0.00	0.00	84.37
Rural Development	22.07	16.89	25.77	57.21	-17.54	24.62	-38.89	-16.87	19.51	-17.96	62.28	-6.29
Law and Order	53.54	24.60	16.76	114.81	-5.88	37.25	29.14	7.53	24.22	-7.06	73.17	18.21
Low Cost Housing	0.00	33.45	35,033.33	0.00	0.00	213.55	0.00	-53.88	-98.48	0.00	0.00	-79.6
Justice Admin	27.21	9.58	26.33	36.76	21.07	19.61	7.22	36.46	24.65	40.91	36.07	29.35
Subsidies	8.33	-75.40	261.41	-71.31	0.00	6.51	-5.81	1931.72	-33.19	33.33	0.00	-1.69
Food Support Programme	-100.00	-100.00	0.00	0.00	0.00	-100	0.00	0.00	0.00	0.00	0.00	0.00
People's Works Programme-I	152.84	0.00	0.00	0.00	0.00	152.84	-40.01	0.00	0.00	0.00	0.00	-40.01
People's Works Programme-II	13.41	0.00	0.00	0.00	0.00	13.41	-32.92	0.00	0.00	0.00	0.00	-32.92
<b>GRAND TOTAL</b>	<b>17.81</b>	<b>2.61</b>	<b>14.61</b>	<b>28.35</b>	<b>21.14</b>	<b>13.66</b>	<b>2.62</b>	<b>18.35</b>	<b>21.13</b>	<b>-4.49</b>	<b>67.7</b>	<b>12.13</b>

Source: Strengthening PRS Monitoring, Finance Division, Islamabad.

**4.18** In Punjab and Sindh, expenditures for Land Reclamation show a positive trend in contrast to negative trends in expenditures for Low Cost Housing in both provinces. This reflects that minimum priority was given to this sector as a result of increased expenditures in other sectors for facilitating the rehabilitation activities for flood affectees. There emerges a vast variation in provincial expenditures for Roads, Highways & Bridges, Environment/Water Supply & Sanitation, Social Security and Welfare and Rural Development. The maximum increase in expenditures was witnessed in Balochistan i.e. 85.9, 63.91, 220.56 and 62.28 percent respectively in FY 2010/11.

**4.19** Agriculture sector with 10.2 percent increase in its total expenditures retained a positive growth trend in all the provinces except in one province i.e. Punjab where it declined by 1.73 percent. Like agriculture sector, Law & Order also posted a sharp increase in its expenditures in all the provinces except in KP, where it declined by 7.06 percent.

### **I. Effect of Subsidies on PRSP Budgetary Expenditures**

**4.20** During the period under review, although the actual expenditures on subsidies have enlarged nominally from Rs. 220,567 million in FY 2008/09 to Rs. 230,945 million in FY 2010/11, yet there was a continued deceleration in subsidies as a percentage of GDP from 1.68 percent in FY 2008/09 to 1.6 percent in FY 2009/10 and finally to 1.28 percent in FY 2010/11. This reduction in subsidies in FY 2010/11 indicates the government's shift in policy to replace subsidies with direct cash transfers to the poor and deserving people (Table 4.7).

**Table 4.7 : Effect of subsidies on aggregate PRSP Expenditures**

	Total Expenditures (Rs. Million)				Percentage Change		
	FY 2007/08	FY 2008/09	FY 2009/10	FY 2010/11	FY 2008/09 over FY 2007/08	FY 2009/10 over FY 2008/09	FY 2010/11 over FY 2009/08
Total Expenditure With Subsidies	1,042,260	977,228	1,110,762	1,245,541	-6.24	13.66	12.13
Total Expenditure Without Subsidies	643,743	756,661	875,836	1,014,596	17.54	15.75	15.84
Subsidies	<b>398,517</b>	<b>220,567</b>	<b>234,926</b>	<b>230,945</b>			
Subsidies as %age of GDP		<b>1.68</b>	<b>1.60</b>	<b>1.28</b>			

Source: Strengthening PRS Monitoring, Finance Division, Islamabad.

### **II. Budget Allocations for Pro poor Sectors**

**4.21** The following section deals with the analysis of expenditures in seventeen pro poor sectors and their budgetary allocations. This analysis is based on revised budgets for pro poor sectors including cuts and extensions in original budgets made during the year.

## Sectoral shares in total PRSP Budgetary Allocations

**4.22** Budgetary allocations for pro poor sectors during FY 2009/10 and FY 2010/11 are given in Table 4.8. During FY 2010/11 budgetary allocations stood at Rs. 1,228,188 million which was more than Rs. 1,140,822 million allocated in FY 2009/10, depicting YoY growth of 7.7 percent.

**Table 4.8: Percentage Sectoral PRSP Budgetary Allocations During 2008/09 - FY 2010/11 (Rs. Million)**

Sector	Budget	% age Share by sector	Budget	% age Share by sector
	FY 2009/10		FY 2010/11	
Roads, Highways, & Bridges	88,054	7.7	102,522	8.3
Water Supply & Sanitation	20,488	1.8	23,648	1.9
Education	163,037	14.3	191,890	15.6
Health	84,847	7.4	94,565	7.7
Population Planning	8,269	0.7	8,172	0.7
Social Security & Welfare	19,732	1.7	54,261	4.4
Benazir Income Support Programme	70000	6.1	38,000	3.1
Pakistan Bait-ul-Maal	3200	0.3	2,000	0.2
Natural Calamities & Other Disasters	24,901	2.2	24,922	2.0
Agriculture	102,683	9.0	112,908	9.2
Land Reclamation	3,705	0.3	4,026	0.3
Rural Development	24,012	2.1	20,077	1.6
Law and Order	140,850	12.3	168,040	13.7
Low Cost Housing	4,739	0.4	1,944	0.2
Justice Admin	11,250	1.0	15,293	1.2
Subsidies	371,055	32.5	365,919	29.8
Food Support Programme	-	-	-	-
People's Works Programme-I	-	-	-	-
People's Works Programme-II	-	-	-	-
<b>GRAND TOTAL*</b>	<b>1,140,822</b>	<b>100.0</b>	<b>1,228,188</b>	<b>100.0</b>

\*Budgets for PWP-I & II are not included.

Source: PIFRA Online Accounts

**4.23** Among the sectoral shares in aggregate budgetary allocations subsidies held the maximum share of 29.8 percent in FY 2010/11 (32.5 percent in FY 2009/10) followed by Education with 15.6 percent share (14.3 percent in FY 2009/10); Law and Order with 13.7 percent share (12.3 percent in FY 2009/10) and Agriculture sector with 9.2 percent share (9 percent in FY 2009/10). In aggregate terms, these four sectors accounted for 68.3 percent of total budgetary allocations during FY 2010/11 as compared to 68.1 percent share in FY 2009/10. Population Planning, Pakistan Bait-ul-Mal, Land Reclamation and Low Cost Housing exhibited a share of less than one percent of total allocations in FY2009/10 and FY2010/11.

**4.24** Social Security & Welfare depicted the maximum increase from 1.7 percent in FY2009/10 to 4.4 percent in FY2010/11, increasing its share by 2.7 percentage points. Education and Law & Order sectors also registered an increase of 1.3 percentage points in FY 2010/11 as compared to FY 2009/10. Similarly proportional shares of Roads, Highways & Bridges, Health, Agriculture and Justice Admin experienced an increase in their shares by 0.6, 0.3, 0.2 and 0.3 percentage points respectively from FY 2009/10 to FY 2010/11. This increase in share of Law & Order and Justice Admin in overall PRSP budgets was the result of increased security concerns all over the country. Proportional share of subsidies declined by 2.7 percentage points from 32.5 percent in FY 2009/10 to 29.8 percent in FY 2010/11 on account of government's policy to move away from subsidization and providing direct assistance to the poor and vulnerable. Population Planning, Natural Calamities & Disasters, Rural Development and Low Cost Housing experienced a slight decline of less than 0.5 percent in their shares in FY 2010/11 as compared to that in FY 2009/10.

### Deviations of Actual PRSP Expenditures from budgetary Allocations

**4.25** The following section analyses the deviations of actual PRSP expenditures in pro-poor sectors from budgetary allocations at the aggregate level. These deviations refer to the difference between actual expenditure and budgetary allocation expressed as a percentage of the approved budget. Considerable variations were observed between aggregate actual PRSP expenditures and the budgets of PRSP sectors during the two years under review (see, Table 4.9). At the aggregate level, PRSP expenditures increased by 1.4 percent in FY 2010/11 indicating an overutilization of budget. This overutilization was due to the budgets for PWP-I & II that were not included in aggregate budgetary allocations. A higher degree of deviation was observed at the sectoral level during FY 2010/11. Eight sectors registered a slight downward deviation whereas six sectors portrayed substantial upward deviations indicating an overall excess expenditure relative to budgetary allocations.

**Table 4.9: Deviations of Budgeted and Actual PRSP Expenditures (Rs. Millions)**

Sectors	FY 2009/10			FY 2010/11		
	Budgeted	Actual	Deviation (%)	Budgeted	Actual	Deviation (%)
Roads, Highways, & Bridges	88,054	98,456	11.8	102,522	99,567	-2.9
Environment/Water Supply & Sanitation	20,488	25,459	24.3	23,648	28,506	20.5
Education	163,037	259,525	59.2	191,890	322,334	68.0
Health	84,847	94,399	11.3	94,565	106,017	12.1
Population Planning	8,269	7,048	-14.8	8,172	4,861	-40.5
Social Security & Social Welfare	19,732	20,278	2.8	54,261	17,617	-67.5
Benazir Income Support Programme	70,000	32,032	-54.2	38,000	34,330	-9.7
Pakistan Bait-ul-Maal	3,200	2,261	-29.3	2,000	3,224	61.2
Natural Calamities & Other Disasters	24,901	12,548	-49.6	24,922	49,115	97.1
Agriculture	102,683	104,815	2.1	112,908	115,511	2.3
Land Reclamation	3,705	1,990	-46.3	4,026	3,669	-8.9
Rural Development	24,012	20,391	-15.1	20,077	19,109	-4.8
Law and Order	140,850	143,639	2.0	168,040	169,791	1.0

Continue...

**Table 4.9: Deviations of Budgeted and Actual PRSP Expenditures (Rs. Millions)**

Sectors	FY 2009/10			FY 2010/11		
	Budgeted	Actual	Deviation (%)	Budgeted	Actual	Deviation (%)
Low Cost Housing	4,739	1,828	-61.4	1,944	373	-80.8
Justice Admin	11,250	10,996	-2.3	15,293	14,223	-7.0
Subsidies	371,055	234,926	-36.7	365,919	230,945	-36.9
Food Support Programme	-	-	-	-	-	-
People's Works Programme-I	-	8,417	-	-	5,049	-
People's Works Programme-II	-	31,754	-	-	21,300	-
GRAND TOTAL*	1,140,822	1,110,762	-2.6	1,228,188**	1,245,541	1.4

\*Budgets for PWP-I & II are not included.

Source: Strengthening PRS Monitoring, Finance Division, Islamabad.

\*\*Budgets for FY 2010/11 are less than aggregate expenditures as budgets for PWP-I & II are not included.

**4.26** Significant excess spending was observed in the Natural Calamities & Other Disasters and Education sectors during FY2010/11 depicting upward deviations to the extent of 97.1 percent and 68 percent respectively. Actual spending in Natural Calamities sector has mainly increased on account of flood relief and rehabilitation activities during the year. Environment/Water Supply & Sanitation, Health, Pakistan Bait-ul-Maal, Law & Order and Agriculture recorded upward deviations of 20.5, 12.1, 81.3, 2.3 and 1 percent respectively in their spending from budgetary allocations in FY 2010/11.

**4.27** Population Planning, Social Security & Welfare, Low Cost Housing and Subsidies depicted an underutilization of budgetary allocations to a greater extent as reflected by the downward deviations of 40.5, 67.5, 80.8 and 36.9 percent respectively. On the other hand remaining sectors including Roads, Highways & Bridges, Land Reclamation, Rural Development and Justice Admin depicted a slight downward deviation of less than 10 percent during FY 2010/11.

### Deviations of actual Current and Development Expenditures from Revised Budgetary Allocations

*“The elimination of ignorance, of illiteracy and of needless inequalities in opportunities is to be seen as objectives that are valued for their own sake. They expand our freedom to lead the lives we have reason to value, and these elementary capabilities are of importance on their own.”*

-----Prof Amartya Sen, Nobel economics laureate

**4.28** Sector specific percentage deviations of Development and Current expenditures relative to revised budgetary allocations during FY 2009/10 and FY 2010/11 were shown in Table 4.10. A downward deviation of 21.5 percent was recorded on the development side. The current expenditures

witnessed an upward deviation of 13.5 percent in FY2010/11. Significant underutilization of Development budget can be explained by a sizeable reduction in development spending to meet short term obligations regarding post flood rehabilitation activities.

**4.29** Substantial underutilization reflected by downward deviation was witnessed on the Development side in all but six sectors i.e. 'Roads, Highways & Bridges', 'Environment/ Water Supply & Sanitation', Population Planning, Social Security & Welfare, Natural Calamities & Disasters and Rural Development. Five sectors including Land Reclamation, Law & Order, Low Cost Housing, Justice Admin and Subsidies registered negative deviation in excess of seventy five percent indicating underutilization of approved Development budgetary allocations. Education, Health and Agriculture sectors sustained the underutilization trend for development expenditures as reflected by their downward deviations of 50, 51.1 and 20.6 percent respectively in FY 2010/11 as compared to 51.9, 51.2 and 7.8 percent respectively in FY 2009/10.

**4.30** Among the current expenditures of PRSP (see, table 4.10) seven sectors have experienced overutilization of budgetary allocations with maximum upward deviation in Land Reclamation i.e. 14,576 percent. Education and Justice Admin also showed an upward deviation of 173.6 and 153 percent respectively in FY 2010/11. Substantial downward deviations in excess of 75 percent were witnessed in 'Roads, Highways & Bridges', Population Planning, Social Security & Welfare, Rural Development and Low Cost Housing.



**Table 4.10: Deviations of Budgeted and Actual (Current and Development) PRSP Expenditures**
**(Rs. Million)**

Sector	FY 2009/10						FY 2010/11					
	Development			Current			Development			Current		
	Budget	Actual	Deviation (%)	Budget	Actual	Deviation (%)	Budget	Actual	Deviation (%)	Budget	Actual	Deviation (%)
Roads, Highways, & Bridges	18,609	85,963	362.0	69,445	12,493	-82.0	26,222	84,271	221.4	76,300	15,296	-80.0
Environment/Water Supply & Sanitation	5,718	18,039	215.5	14,770	7,420	-49.8	7,585	19,183	152.9	16,064	9,323	-42.0
Education	82,233	39,592	-51.9	80,804	219,933	172.2	90,648	45,348	-50.0	101,243	276,986	173.6
Health	57,966	28,301	-51.2	26,881	66,098	145.9	56,549	27,658	-51.1	38,017	78,359	106.1
Population Planning	2,058	6,802	230.6	6,211	246	-96.0	1,374	4,650	238.5	6,798	211	-96.9
Social Security & Social Welfare	582	17,438	2895.0	19,149	2,840	-85.2	1,547	13,996	804.7	52,714	3,621	-93.1
Benazir Income Support Programme	-	-	-	70,000	32,032	-54.2	38,000	34330	-9.7	-	-	-
Pakistan Bait-ul-Maal	-	-	-	3,200	2,261	-29.3	-	-	-	2,000	3224	61.2
Natural Calamities & Other Disasters	2,303	2,693	16.9	22,598	9,855	-56.4	2,572	2,652	3.1	22,350	46,463	107.9
Agriculture	63,316	58,384	-7.8	39,367	46,431	17.9	65,442	51,948	-20.6	47,466	63,563	33.9
Land Reclamation	3,680	0	-100.0	25	1,990	7892.0	4,001	0	-100.0	25	3,669	14576.0
Rural Development	16,234	19,591	20.7	7,778	800	-89.7	13,836	18,118	30.9	6,241	991	-84.1
Law and Order	71,033	1,756	-97.5	69,817	141,883	103.2	81,531	1,382	-98.3	86,509	168,409	94.7
Low Cost Housing	2,239	675	-69.9	2,500	1,153	-53.9	1,294	231	-82.2	650	142	-78.2
Justice Admin	7,791	945	-87.9	3,460	10,051	190.5	10,531	2173	-79.4	4,762	12,050	153.0
Subsidies	28,519	5,856	-79.5	342,536	229,070	-33.1	22,334	15	-99.9	343,585	230,930	-32.8
Food Support Programme	-	-	-	-	-	-	-	-	-	-	-	-
People's Works Programme-I	-	8,417	-	-	-	-	-	5049	-	-	-	-
People's Works Programme-II	-	31,754	-	-	-	-	-	21300	-	-	-	-
<b>GRAND TOTAL</b>	<b>362,280</b>	<b>326,206</b>	<b>-10.0</b>	<b>778,542</b>	<b>784,556</b>	<b>0.8</b>	<b>423,463</b>	<b>332,304</b>	<b>-21.5</b>	<b>804,724</b>	<b>913,237</b>	<b>13.5</b>

Source: Strengthening PRS Monitoring, Finance Division, Islamabad.

### III. PRSP Current and Development Expenditures

**4.31** This section provides a detailed analysis of current and development expenditures, incurred sector-wise and region-wise. It aims at further identifying the unusual downward shift in total expenditures caused by decrease in development spending at federal and provincial levels during FY2008/09 to FY2010/11.

**4.32** Total PRSP expenditures were divided into Current and Development expenditures during time period FY2008/09 to FY2010/11. Their relative percentage changes and shares in total expenditures are illustrated in Table 4.11. Current expenditures have reached to Rs. 913,237 million from Rs. 784,556 million in FY2009/10; and Rs. 668,776 million in FY2008/09 continuing with the growth of 16.4 and 17.31 percentages respectively. On the other side, Development expenditures have depicted a growth of 5.76 percent in FY2009/10 over FY2008/09 and 1.87 percent in FY2010/11 over FY2009/10. This decline in development spending by 3.89 percentage points further neutralized the impact of 16.4 percent growth in current spending.

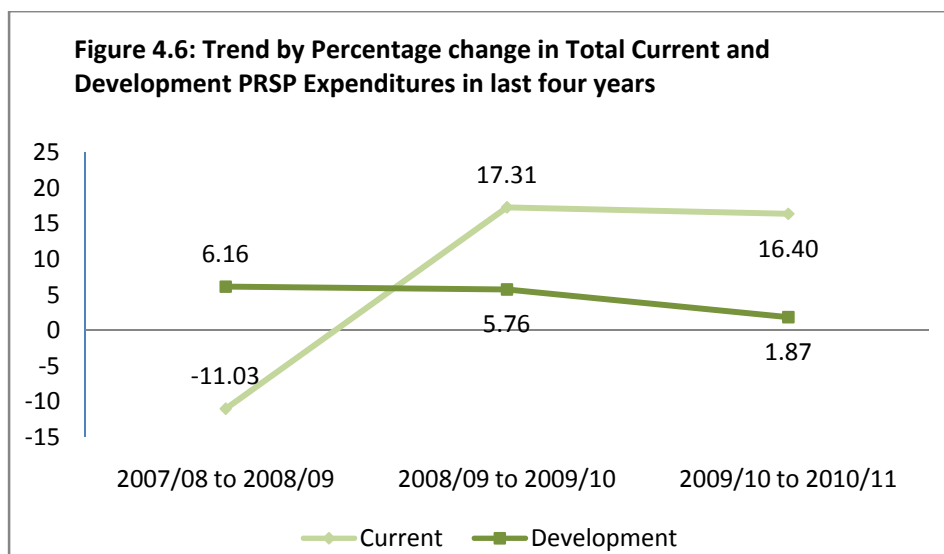
**4.33** Share of development spending in total expenditures has continuously declined during the period under comparison from 31.56 percent in FY 2008/09 to 26.68 percent in FY 2010/11. In the case of current spending the opposite is true since its share increased from 68.44 percent in FY2008/09 to 73.32 percent in FY2010/11.

**Table 4.11: Total Current and Development PRSP Expenditures (Rs. Millions)**

Fiscal Year	Current	Development	Total	Share in total expenditures	
				Current	Development
FY 2008/09	668,776	308,452	977,228	68.44	31.56
FY 2009/10	784,556	326,206	1,110,762	70.63	29.37
FY 2010/11	913,237	332,304	1,245,541	73.32	26.68
Percentage change FY 2009/10	17.31	5.76	13.66		
Percentage change FY 2010/11	16.40	1.87	12.13		

Source: Civil Accounts provided by Accountant General's office

**4.34** Fig 4.6 illustrates the trends in Total, Current and Development expenditures during the last four years. Current spending experienced maximum growth of 17.31 percent in FY 2009/10 over FY 2008/09; followed by 16.4 percent growth in FY 2010/11 over FY 2009/10. On the contrary, development spending constantly declined over the period under comparison from a 6.16 percent growth recorded in FY 2008/09 over FY 2007/08 to 5.76 percent growth in FY 2009/10 over FY 2008/09 and then finally to experienced a growth of 1.87 percent in FY2011/10 over FY2010/11.



Source: Strengthening PRS Monitoring, Finance Division, Islamabad.

## PRSP Current and Development Expenditures by Province

**4.35** Table 4.12 reveals the Current and Development expenditures incurred at federal and provincial levels. Current expenditures posted an increasing trend in all provinces except in KP. Development expenditures however depicted a mixed trend. In FY2009/10, Punjab, Sindh and KP, all experienced escalating growth trends in both current and development spending; whereas in FY 2010/11, Balochistan was the only province exhibiting an increase in current and developing expenditure of 61.97 percent and 88.84 percent respectively. Current spending in Punjab, Sindh and Federal registered a growth of 30.24, 48.8 and 11.58 percent respectively, while development expenditure declined in the three provinces. Development expenditures were doubled in Balochistan from Rs. 12,433 million in FY2009/10 to Rs. 34,780 million in FY2010/11. Declining trends in development expenditures of other provinces have suppressed this growth, as reflected by a slight growth of 1.87 percent in the overall development expenditures in FY2010/11 against 5.76 percent in FY 2009/10.

**Table:4.12 Percentage Change in PRSP Current and Development Expenditures by Province for FY 2008/09, 2009/10 and 2010/11**

Province	FY 2008-09		FY 2009-10		FY 2010-11		Percentage change in FY 2009/10		Percentage change in FY 2010/11	
	Cur	Dev	Cur	Dev	Cur	Dev	Cur	Dev	Cur	Dev
Federal	285,822	112,287	362,026	106,980	367,832	113,462	26.66	-4.73	1.60	6.06
Punjab	212,404	90,031	219,403	90,934	285,760	81,528	3.30	1.00	30.24	-10.34
Sindh	86,629	64,165	102,444	70,375	152,433	56,898	18.26	9.68	48.80	-19.15
KP	56,552	27,999	70,308	38,088	58,015	45,636	24.32	36.03	-17.48	19.82
Balochistan	27,369	13,970	30,375	12,433	49,197	34,780	10.98	-11.00	61.97	179.74
Pakistan	668,776	308,452	784,556	326,206	913,237	332,304	17.31	5.76	16.40	1.87

Source: Civil Accounts provided by Accountant General's office

## Sector-wise change in Current and Development Expenditures

**4.36** Percentage change in Current and Development expenditures in 17 pro-poor sectors during PRSP-II period (FY2008/09 to FY2010/11) is presented in Table 4.13. Among the percentage changes in current and development spending, all the sectors depicted mixed trend with a few exceptions as 'Population Planning' and 'Low Cost Housing' in FY2010/11 and 'Roads, Highways & Bridges' and Land Reclamation in FY 2009/10 showed declining trends for both current and development spending. 'Natural Calamities and other disasters' contributed up to 371.47 percent in the total increase in current expenditures in FY 2010/11. Low Cost Housing contributed 109.26 percent while the Social Security & Welfare contributed 105.81 percent in FY 2009/10.

**4.37** On development side a huge reduction of 99.74, 65.78, 31.64, 40.01 and 32.92 percent was witnessed in the five sectors including Subsidies, Low Cost Housing, Population Planning, People's Works Programme I & II respectively. This led to a considerable decline in total expenditures of these sectors in FY 2010/11. In contrast, a massive increase of 2009.38 percent, 161.01 percent and 152.84 percent in Low Cost Housing, Justice Admin and People's Works Programme-I respectively provided the basis for enlargement in development expenditures in FY 2009/10.

**Table-4.13 Percentage Change in PRSP Current and Development Expenditures by Sector**

Sector	FY 2009/10 over FY 2008/09			FY 2010/11 over FY 2009/10		
	Current	Develop-ment	Total	Current	Develop-ment	Total
Roads, Highways, & Bridges	-8.31	-0.03	-1.16	22.44	-1.97	1.13
Environment/Water Supply & Sanitation	6.53	18.37	14.66	25.65	6.34	11.97
Education	11.23	-7.18	7.97	25.94	14.54	24.2
Health	15.44	6.97	12.76	18.55	-2.27	12.31
Population Planning	6.49	33.01	31.86	-14.23	-31.64	-31.03
Social Security & Welfare	105.81	57.28	87.34	27.5	-19.74	-13.12
Benazir Income Support Programme	128.75	-	128.75	-	7.17	7.17
Pakistan Bait-ul-Maal	93.41	-	93.41	42.59	-	42.59
Natural Calamities & Other Disasters	26.69	16.88	24.45	371.47	-1.52	291.42
Agriculture	21.45	15.2	17.89	36.9	-11.02	10.2
Land Reclamation	-27.32	-	-27.32	84.37	-	84.37
Rural Development	-29.02	28.59	24.62	23.88	-7.52	-6.29
Law and Order	37.37	28.08	37.25	18.7	-21.3	18.21
Low Cost Housing	109.26	2009.38	213.55	-87.68	-65.78	-79.6
Justice Admin	13.81	161.05	19.61	19.89	129.95	29.35
Subsidies	14.55	-71.57	6.51	0.81	-99.74	-1.69
Food Support Programme	0	0	0	-	-	-
People's Works Programme-I	0	152.84	152.84	-	-40.01	-40.01
People's Works Programme-II	0	13.41	13.41	-	-32.92	-32.92
GRAND TOTAL	17.31	5.76	13.66	16.4	1.87	12.13

Source: Strengthening PRS Monitoring, Finance Division, Islamabad.

**4.38** In aggregate terms, only three sectors namely Environment/Water Supply & Sanitation, Education and Justice Admin came up with positive trends in both current and development

expenditures in FY2010/11, in contrast to nine sectors that showed an increasing trend in FY2009/10. This was the consequence of the government's decision to cut off development expenditures to meet short term demands.

#### IV. PRSP Expenditures in Sub sectors of Education and Health

**4.39** Investment in the sectors of Education and Health is critical to assist poor people to get out of the vicious circle of poverty. This section gives a thorough scrutiny of expenditures incurred in sub-sectors of Education and Health, both at federal and provincial levels.

#### PRSP Expenditures in Education

**4.40** According to figures given in Table 4.14 aggregate spending in education sector has depicted significant YoY growth of 24.2 percent in FY 2010/11 over FY 2009/10 against 7.97 percent in FY 2009/10 over FY 2008/09. This considerable growth in education sector spending is the outcome of strong positive trends by all the provinces except for KP with negative expenditure growth of 34.19 percent. Among the sub sectors of education General Universities and Vocational Training dominated the other subsectors with their positive growth trends of 33.59 and 32.69 percent respectively in FY 2010/11 over FY 2009/10.

**Table 4.14: Percentage Change in Education sector's PRSP Expenditures**

Education sub-sector	Fiscal Year	Federal	Punjab	Sindh	KP	Balo-chistan	Total
Primary Education	2009/10 over 2008/09	21.79	12.89	-2.19	19.14	21.53	10.75
	2010/11 over 2009/10	25.52	33.09	30.74	-59.17	45.36	16.54
Secondary Education	2009/10 over 2008/09	16.66	7.15	-3.38	24.75	9.71	9.23
	2010/11 over 2009/10	34.18	41.09	35.69	-45.63	89.72	20.1
General Universities, Colleges, & Institutes	2009/10 over 2008/09	-8.61	11.82	-6.6	17.22	15.44	-2.62
	2010/11 over 2009/10	27.98	29.45	25.96	71.34	134.72	33.59
Professional & Technical Universities, Colleges & Institutes	2009/10 over 2008/09	34.89	7.09	9.96	18.66	29.49	21.84
	2010/11 over 2009/10	49.15	-24.82	21.97	21.63	12.54	27.07
Teacher & Vocational Training	2009/10 over 2008/09	-4.29	65.22	-34.04	0.00	23.12	51.61
	2010/11 over 2009/10	7.46	31.4	63.71	0.00	34.93	32.69
Others	2009/10 over 2008/09	34.15	-25.26	89.28	24.77	70.14	4.73
	2010/11 over 2009/10	9.21	33.53	55.93	-15.45	56.39	33.84
Total	2009/10 over 2008/09	4.58	3.21	8.35	21.53	25.85	7.97
	2010/11 over 2009/10	28.81	33.71	36.52	-34.19	66.15	24.2

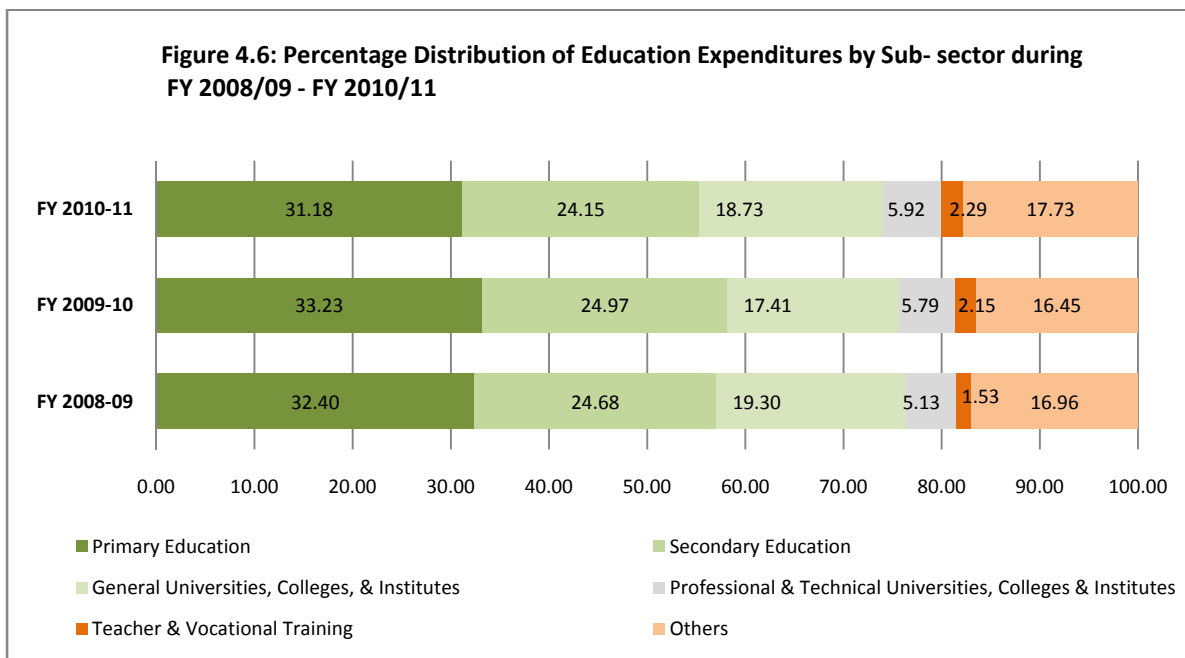
Source: Strengthening PRS Monitoring, Finance Division, Islamabad.

**4.41** Total expenditures on Primary and Secondary education increased by 16.54 percent and 20.1 percent respectively in FY 2010/11 over FY 2009/10 owing to healthy growth by all the provinces; except for KP where the expenditures declined to 59.17 percent and 45.63 percent in the two subsectors of primary and secondary education respectively. Among the two subsectors of Higher education namely General and Professional Universities and 'Vocational Training' subsector, spending increased by 33.59 percent, 27.07 percent and 32.69 percent respectively in FY 2010/11 over FY

2009/10. 'Others' subsector exhibited the maximum percentage change of 33.84 percent in FY 2010/11 among all the subsectors.

**4.42** Balochistan experienced maximum increase in expenditures in the four subsectors of primary education, secondary education, general universities and others. At the federal level, professional universities recorded the maximum growth in spending of 49.15 percent, followed by secondary education that registered a growth of 34.18 percent in FY 2010/11.

**4.43** Percentage distribution of education expenditures in subsectors depicted an identical pattern in all the three years from FY2008/09 to Fy2010/11. Maximum priority was assigned to Primary Education recording a growth of 31.18 percent in FY 2010/11; 33.23 percent in FY 2009/10; and 32.40 percent in FY 2008/09. Secondary education figure stood at 24.15 percent in FY 2010/11; 24.97 percent in FY 2009/10; and 24.68 percent in FY 2008/09. The smallest share in spending in total education expenditures was allocated to "Teacher & Vocational training" with 1.53 percent in FY2008/09, 2.15 percent in FY2009/10 and 2.29 percent in FY2010/11.



Source: Strengthening PRS Monitoring, Finance Division, Islamabad.

**4.44** At provincial level, Primary and Secondary education retained their maximum share in aggregate spending in all the four provinces. 'Balochistan exhibited a share of 20.24 percent and 14.17 percent for General and Professional Universities respectively, much larger than the other provinces.

**4.45** Table 4.15 gives the spending share pattern in subsectors of Education at federal level. The expenditures pursue a similar trend under the comparison period. Maximum priority was given to two subsectors of Higher education namely General and Professional Universities showing 55.5 percent and

16.15 percent distribution respectively in FY 2010/11. One similarity observed in spending distribution pattern at federal and provincial levels is the least share holding by 'Teacher and Vocational Training'.

**Table 4.15: Percentage Distribution of Education sector's PRSP Expenditures by Province and Sub-sector**

	Federal	Punjab	Sindh	KP	Balo-chistan	Total
Education sub-sector	FY 2010/11					
Primary Education	7.04	40.98	35.19	23.12	29.48	31.18
Secondary Education	9.9	26.52	25.92	32.97	31.49	24.15
General Universities, Colleges, & Institutes	55.5	8.61	9.52	20.24	12.49	18.73
Professional & Technical Universities, Colleges & Institutes	16.15	1.04	4.77	14.17	3.44	5.92
Teacher & Vocational Training	0.12	4.6	0.56	0	1.56	2.29
Others	11.3	18.25	24.03	9.5	21.54	17.73
Total	100	100	100	100	100	100
Education sub-sector	FY 2009/10					
Primary Education	7.22	41.17	36.75	37.26	33.7	33.23
Secondary Education	9.5	25.14	26.08	39.9	27.58	24.97
General Universities, Colleges, & Institutes	55.86	8.9	10.32	7.78	8.84	17.41
Professional & Technical Universities, Colleges & Institutes	13.94	1.84	5.34	7.67	5.08	5.79
Teacher & Vocational Training	0.14	4.68	0.47	0	1.92	2.15
Others	13.33	18.27	21.04	7.39	22.88	16.45
Total	100	100	100	100	100	100
Education sub-sector	FY 2008/09					
Primary Education	6.20	37.64	40.71	38.01	34.90	32.40
Secondary Education	8.52	24.21	29.24	38.88	31.64	24.68
General Universities, Colleges, & Institutes	63.92	8.21	11.97	8.06	9.63	19.30
Professional & Technical Universities, Colleges & Institutes	10.81	1.78	5.26	7.85	4.94	5.13
Teacher & Vocational Training	0.16	2.93	0.77	0.00	1.96	1.53
Others	10.39	25.23	12.05	7.20	16.93	16.96
Total	100	100	100	100	100	100

Source: Strengthening PRS Monitoring, Finance Division, Islamabad.

## PRSP Expenditures in Health

**4.46** According to figures given in Table 4.16 aggregate expenditures in Health sector depicted a substantial YoY growth of 12.31 percent. Positive growth trends were observed in two subsectors of General Hospitals and 'Others'. Two subsectors of Mother & Child Health' and 'Health Facilities' showed negative growth trends. This negative trend contributed in lowering the overall YoY expenditures growth for Health sector.

**4.47** General Hospitals and Clinics experienced maximum YoY growth of 17.35 percent in FY 2010/11 with positive growth exhibited by all the provinces. Conversely, ‘Mother & Child Health’ showed negative growth of 45.37 percent in total expenditures for all provinces.

**Table 4.16: Percentage Change in Health Sector’s PRSP Expenditures**

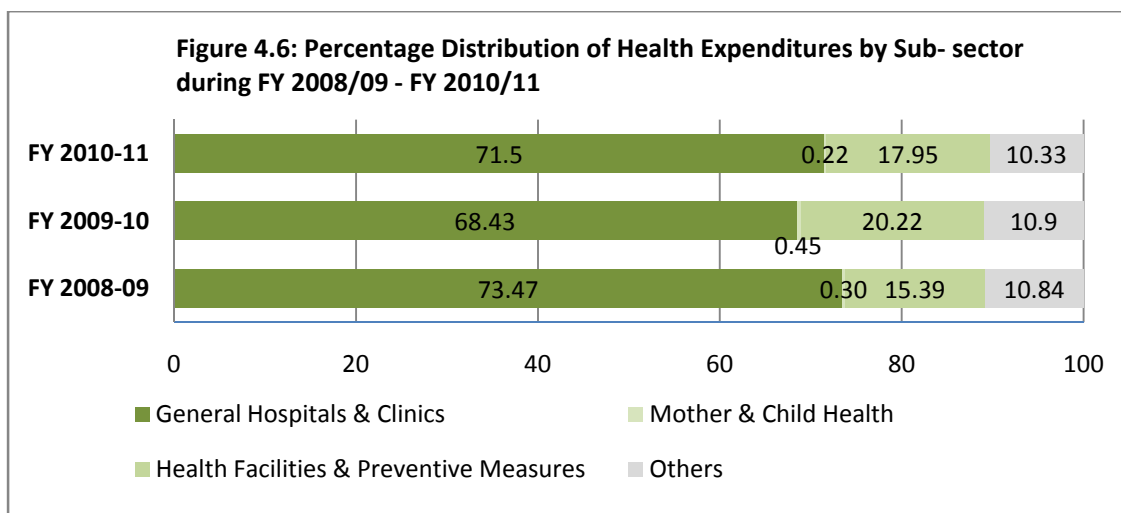
Health sub-sector	Fiscal Year	Federal	Punjab	Sindh	KP	Balo-chistan	Total
General Hospitals & Clinics	2009/10 over 2008/09	34.95	2.76	-3.92	8.36	16.19	5.03
	2010/11 over 2009/10	7.75	15.14	14.95	10.92	150.14	17.35
Mother & Child Health	2009/10 over 2008/09	75.00	113.73	0.00	0	-9.84	70.45
	2010/11 over 2009/10	14.29	-36.7	-100	-48.28	-100	-45.37
Health Facilities & Preventive Measures	2009/10 over 2008/09	40.76	37.76	153.33	33.85	50.86	48.18
	2010/11 over 2009/10	-6.39	10.41	30.52	-32.18	55.98	-0.29
Others	2009/10 over 2008/09	10.33	27.62	48.42	-61.11	28.64	13.37
	2010/11 over 2009/10	-1.91	5.68	26.01	36.82	-27.38	6.38
Total	2009/10 over 2008/09	37.89	6.55	7.43	-1.73	25.71	12.76
	2010/11 over 2009/10	-1.68	13.26	17.82	9.49	62.92	12.31

Source: Strengthening PRS Monitoring, Finance Division, Islamabad.

**4.48** At provincial level, all the four provinces underwent enhancement in their spending in the Health sector. Baluchistan dominated the other provinces with 62.92 percent in FY 2010/11 and 25.71 percent in FY 2009/10. This significant growth by Balochistan is the combined impact of 150.14 percent and 55.98 percent increase in expenditures for ‘General Hospitals’ and ‘Health Facilities’ subsectors respectively in FY 2010/11 over FY 2009/10. Percentage change in PRSP Health expenditures at federal level, exhibited a trivial growth of 1.68 percent in FY 2010/11 over FY 2009/10 against 37.89 percent growth in FY 2009/10 over FY 2008/09.

**4.49** Proportional distribution of aggregate health expenditures given in Table 4.17 and Fig 3.6, reflects a similar pattern during the three years period under comparison. ‘General Hospitals & Clinics’ were the maximum shareholder with 73.47 percent in FY 2008/09; 68.43 percent in FY 2009/10; and 71.5 percent in FY 2010/11. ‘Mother & Child Health’ held the lowest share in aggregate expenditures in the three years under comparison.





Source: Strengthening PRS Monitoring, Finance Division, Islamabad.

**4.50** At provincial level, a somewhat identical trend was witnessed with 'General Hospitals & Clinics' holding the largest share in all the provinces during the period under comparison. During the three years period, KP's share increased by 19.28 percentage points.

**4.51** At Federal level however, maximum share was attributed to Health facilities during the period under review with 61.94 percent, followed by 35.55 percent by General Hospitals & Clinics in FY 2010/11. Therefore when combined together, Health facilities and General Hospitals accounted for 97.49 percent of total health expenditures in FY2010/11.

**Table-4.17 Percentage Distribution of Health Sector's PRSP Expenditures by Province & Sub sector**

Health sub-sector	Federal	Punjab	Sindh	KP	Baloc-histan	Pakistan
FY 2010-11						
General Hospitals & Clinics	35.55	84.91	76.48	87.57	65.28	71.5
Mother & Child Health	0.04	0.49	0	0.13	0	0.22
Health Facilities & Preventive Measures	61.94	1.03	12.14	4.22	18.13	17.95
Others	2.48	13.57	11.38	8.08	16.59	10.33
Total	100	100	100	100	100	100
FY 2009/10						
General Hospitals & Clinics	32.43	83.53	78.39	86.44	42.52	68.43
Mother & Child Health	0.03	0.87	0.02	0.28	1.32	0.45
Health Facilities & Preventive Measures	65.05	1.05	10.96	6.82	18.94	20.22
Others	2.49	14.54	10.64	6.46	37.22	10.9
Total	100	100	100	100	100	100
FY 2008/09						
General Hospitals & Clinics	33.14	86.61	87.65	78.39	46.00	73.47
Mother & Child Health	0.02	0.44	0.00	0.28	1.85	0.30
Health Facilities & Preventive Measures	63.72	0.82	4.65	5.00	15.78	15.39
Others	3.11	12.14	7.70	16.33	36.37	10.84
Total	100	100	100	100	100	100

Source: Strengthening PRS Monitoring, Finance Division, Islamabad.

## V. Actual PRSP budgetary expenditures relative to PRSP-II Projections

**4.52** The comparison of actual PRSP expenditures as percentage of GDP for the three years period under analysis is illustrated in Table 4.18. In aggregate terms, PRSP actual expenditures surpassed the targets by 0.28 percentage points in FY 2010/11; 1.56 percentage points in FY 2009/10; and 1.6 percentage points in FY 2008/09. Similarly, Expenditures in current and development categories exceeded the projections in all the three years, with one exception that is development expenditures that fell short by 0.36 percentage points in FY 2010/11 against the target of 2.2 percent of GDP.

**Table 4.18 Actual PRSP Budgetary Expenditures Relative to Projection in PRSP-II (in terms of expenditure to GDP ratio)**

PRSP Expenditures	FY 2008/09		FY 2009/10		FY 2010/11	
	Actual	Projected	Actual	Projected	Actual	Projected
Development	2.36	1.74	2.22	1.9	1.84	2.2
Current	5.11	4.12	5.35	4.12	5.06	4.43
Total	7.46	5.86	7.57	6.01	6.9	6.62
<b>Market Access and Community Services</b>						
Roads, Highways, & Bridges	0.76	0.36	0.67	0.41	0.55	0.48
Environment/ Water Supply & Sanitation	0.17	0.07	0.17	0.08	0.16	0.08
<b>Human Development</b>						
Education	1.84	1.51	1.77	1.82	1.78	2.2
Health	0.64	0.34	0.64	0.43	0.59	0.56
Population Planning	0.04	0.03	0.05	0.03	0.03	0.03
<b>Rural Development</b>						
Agriculture	0.68	0.7	0.71	0.77	0.64	0.84
Land Reclamation	0.02	0.02	0.01	0.02	0.02	0.02
Rural Development	0.12	0.07	0.14	0.08	0.11	0.08
People's Works Programme-I	0.03	0.02	0.06	0.02	0.03	0.02
People's Works Programme-II	0.21	0.11	0.22	0.11	0.12	0.12
<b>Safety Nets</b>						
Subsidies	1.68	1.78	1.60	1.25	1.28	1.13
Social Security & Welfare	0.11	0.11	0.14	0.18	0.10	0.21
Benazir Income Support Programme	0.11	0.18	0.22	0.33	0.19	0.38
Pakistan Bait-ul-Maal	0.01	0.03	0.02	0.02	0.02	0.04
Food Support Programme	0.09	0.07	-	0.05	-	0.08
Natural Calamities & Other Disasters	0.08	0.02	0.09	0.02	0.27	0.02
Low Cost Housing	0.00	0.01	0.01	0.01	0.00	0.01
<b>Governance</b>						
Justice Admin	0.07	0.05	0.07	0.05	0.08	0.05
Law and Order	0.80	0.36	0.98	0.31	0.94	0.26
Total PRSP Expenditures	7.46	5.86	7.57	6.01	6.9	6.62

Source: Strengthening PRS Monitoring, Finance Division, Islamabad.

**4.53** In the course of three years, actual expenditures as percentage of GDP exceeded the PRSP-II targets in nine pro-poor sectors namely Roads Highways & Bridges, Environment Water Supply & Sanitation, Health, Rural development, Subsidies, 'Natural Calamities & other Disasters', PWP-I, Justice Admin and Law & Order. In the Law & Order sector the ratio of actual expenditures as percentage of

GDP as compared to forecasted PRSP percentages increased by 0.44 percent points in FY 2008/09; 0.67 percent points in FY 2009/10; and 0.68 percent points in FY 2010/11. However, expenditure to GDP ratio for Education, Agriculture, Social Security & Welfare, Pakistan Bait-ul-Maal, Benazir Income Support Programme and Pakistan Bait-ul-Maal remained below the projected figures during FY2009/10 and FY2010/11.

**4.54** In the Health sector, ratio of actual expenditures to GDP remained above PRSP-II projections in FY 2008/09 and FY 2009/10 but declined to 0.59 percent in FY 2010/11. Actual expenditure in Education surpassed the target in FY 2008/09, but lagged behind in FY 2009/10 and FY 2010/11. Hence in overall terms, Health sector performed better than education in terms of actual expenditure to GDP as compared to PRSP-II Projections.

## **Chapter: 5**

# **Protecting the Poor and Vulnerable**

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*“If poverty is unacceptable to us, and we believe that it should not belong to a civilized society, then we must create appropriate institutions and policies to create a poverty-free world”*

*— Muhammad Yunus*

**5.1** The government of Pakistan has made strenuous efforts to protect the poor and vulnerable sections of society from social and economic exclusion. The measures taken in this regard during the PRSP-II period (FY2008/09-FY2010/11) have been discussed in this section. These include Zakat, Employee Old Age Benefit Institution (EOBI), Worker's Welfare Fund (WWF), Pakistan Bait-ul-Mal (PBM), Benazir Income Support Program (BISP), Microfinance and other such schemes.

## **I. Zakat**

*"Protect your wealth as though in a strong fort by paying its due Zakat and treat your sick with charity".-----*

*Prophet Muhammad (SAWA)*

**5.2** According to figures given in table 5.1 a total of Rs. 2,874 million were disbursed in FY 2009/10 under different Zakat programmes as compared to Rs. 2,877 million during FY 2008/09 registering a decrease of less than 1 percent. A slight decrease in Zakat disbursements and a significant increase in beneficiaries were noticed during FY 2009/10 in comparison with FY 2008/09. If we compare the disbursements of FY 2009/10 with FY 2010/11, an increasing trend of 245 percent from Rs. 2,874 million to Rs. 9909.753 million was recorded in zakat funds. Of the total Zakat disbursements, 56 percent was disbursed under Regular Zakat Programmes, 23 percent under Other Zakat Programmes and remaining 21 percent under National Level Schemes during FY 2009/10 against the previous year's share of 51 percent, 33 percent and 16 percent, respectively.

**5.3** Disbursements under Guzara allowance, Education stipends, stipends to students of deeni madrassahs, Health care, marriage assistance to unmarried women, and Eid grants have increased by 5, 19, 13, 19, 150 and 3 percent respectively; resultantly beneficiaries increased by 11, 46, 45, 8, 132 and 1 percent respectively during FY 2009/10 as compared to FY 2008/09. However, in case of Leprosy patients zakat disbursements fell by 51 percent while beneficiaries went up by 119 percent during the same period. Nothing was spent under the Permanent Rehabilitation Scheme of zakat during both years nor was any amount spent under Social Welfare/Rehabilitation during FY 2009/10.

**5.4** On the other hand if we compare the disbursements of FY 2010/11 with the FY 2009/10, there emerges a positive trend of 140 percent under Guzara Allowance, 113 percent in education stipends, 131 percent under stipends to students of deeni madrassahs, 115 percent in health care, 105 percent in marriage assistance to unmarried women, 135 percent under eid grants, 204 in leprosy patient, 107 percent in educational stipend (tech) and 23 percent under model deeni madrassahs. National level health institutions registered a decline of 11 percent (from Rs. 577.85 million to Rs. 513.8 million). Whereas Rs. 4170 million were invested under Natural calamities/ flood affectees /IDPs and Rs. 100 million under hepatitis-C program for the very first year during the review period.

**Table 5.1: Comparison of Zakat Programmes**

	FY 2008/09		FY 2009/10		FY 2010/11	
	Amount Utilised (Rs Million)	No. of Beneficiaries	Amount Utilised (Rs Million)	No. of Beneficiaries	Amount Utilised (Rs. Million)	No. of Beneficiaries
<b>Regular Zakat Programmes</b>						
Guzara Allowance	882	241,011	925.76	266,390	2225.429	-
Education stipends	262	190,799	312.994	278,765	667.629	-
Stipends to students of Deeni Madrassahs	114	66,228	128.723	96,255	296.723	-
Health care	87	66,952	103.371	72,028	222.542	-
Social welfare / Rehabilitation	56	19,219	-	-	-	-
Marriage assistance to unmarried women	58	5,986	144.907	13,900	296.726	-
Sub Total	1459	590,195	1,616	727,338	3709.049	-
<b>Other Zakat Programmes</b>						
Eid Grants	77	156,076	78.93	157,883	185.455	-
Leprosy Patients	1	103	0.493	226	1.500	-
Permanent rehabilitation scheme of Zakat	-	-	-	-	-	-
Educational Stipend (tech)	868	75,237	586.1	101,898	1211.954	-
Sub Total	946	231,416	665.523	260,007	1398.909	-
<b>National level Schemes</b>						
National level health institutions	461	262,925	577.85	299,051	513.795	-
Model Deeni Madrassahs	11	847	14.62	2654	18	-
Natural Calamities/Flood Affectees/IDPs	-	-	-	-	4170	-
Hepatitis –C	-	-	-	-	100	-
Subtotal	472	263,767	592.47	301,705	4801.795	-
Grand Total	2,877	1,085,378	2,874	1,289,050	9909.753	-

## // Employees' Old Age Benefits Institution (EOBI)

**5.5** A slight increase in EOBI's activities was noticed during FY 2010/11 in comparison to FY 2009/10. Table 5.2 shows that a total of Rs. 9,366 million was disbursed during FY 2010/11 under different programmes of EOBI as compared to Rs. 6,442 million during FY 2009/10 registering an increase of 45 percent. The number of beneficiaries was recorded at 290,000 in FY 2008/09; 310,352 in FY 2009/10; 336,281 in FY 2010/11.

**5.6** Under the Old Age Pension, the flagship programme of EOBI, disbursements increased by 44 percent from Rs.4156 million in FY 2009/10 to Rs. 5,977 million in FY 2010/11. Disbursements under Invalidity Pension Programme recorded a growth of 3230 percent from Rs.96 million in FY 2009/10 to Rs. 3,197 million in FY 2010/11. Substantial growth of 114 percent from Rs. 21 million in FY2009/10 to

Rs.45 million in FY 2010/11 was recorded in Old-age Grants Programme. Conversely, immense decrease of 93 percent was observed in disbursements of Survivors Pension Programme.

**5.7** The number of beneficiaries increased under the following programs; Old Age Pension by 7 percent (from 197,216 to 212767), Invalidity Pension Programme by 96 percent (from 4,893 to 116,015) and Old-age Grants Programme by 22 percent (from 1774 to 2268). A decline was noticed in beneficiaries of Survivors Pension Programme from 106,369 in FY2009/10 to 5231 in FY 2010/11.

**Table 5.2: Programmes of Employees' Old Age Benefit Institution**

Programmes	FY 2008/09		FY 2009/10		FY 2010/11	
	No. of Beneficiaries	Disbursement (Rs. Millions)	No. of Beneficiaries	Disbursement (Rs. Millions)	No. of Beneficiaries	Disbursement (Rs. Millions)
Old Age Pension	185,600	3,704	197,216	4,156	212767	5977
Invalidity Pension	4,600	174	4,893	96	116015	3197
Survivors Pension	97,900	1,851	106,369	2,149	5231	146
Old-age Grants	1,900	58	1,774	21	2268	45
Total	290,000	5,787	310,352	6,442	336281	9366

Source: Employees' Old Age Benefits Institution

### III. Pakistan Bait-ul-Mal (PBM)

**5.8** In aggregate terms, Pakistan Bait-ul-Maal underwent an increasing trend both in disbursements and beneficiaries in FY 2010/11 as compared to FY 2009/10. The aggregate disbursements under PBM experienced a healthy growth of 23.9 percent against a sharp decline of 24.18 percent observed in FY2009/10. On the contrary, beneficiaries recorded a slight decline of 1.6 percent from 1,915,071 in FY 2009/10 to 1,885,035 in FY 2010/11.

**5.9** Individual Financial Assistance (IFA) inhabited the maximum disbursements under various programs of PBM during FY2009/10-FY2010/11 followed by National Center for Rehabilitation & Child Labor (NCRCL) and Vocational Training Centers (VTC). The above three programs also portrayed an increasing trend both for disbursed amount and number of beneficiaries during the review period (see Table 5.4). Pakistan Sweet Homes depicted an increase of 234.4 percent in disbursements and an increase of 365.3 percent in beneficiaries in FY 2010/11.

**5.10** Child Support Program (CSP) and Langer Program were the only two programs in which total disbursements declined by 63 percent and 10.3 percent respectively in FY 2010/11. On the other hand number of beneficiaries under Institutional Rehabilitation and Langer program declined by 0.1 percent and 15.7 percent respectively in FY 2010/11. Pakistan Bait-ul-Mal programs overall progress is given in table 5.3 for the PRSP II three years period FY 2008/09 - FY 2010/11.

**Table 5.3 Pakistan Bait-ul-Mal**

Programmes	FY 2008/09		FY 2009/10		FY 2010/11	
	No. of Beneficiaries	Disbursement (Rs. Millions)	No. of Beneficiaries	Disbursement (Rs. millions)	No. of Beneficiaries	Disbursement (Rs. Millions)
Food Support Programme	754,332	2,263	-	-	-	-
Individual Financial Assistance (IFA)	18,974	775.0	34,968	2,018.623	57,852	2,487.054.
National Centre for Rehabilitation of Child Labor (NCRCL)	181,607	194.0	262,375	287.005	341,319	345.743
Vocational Training Centers (VTC)	52,462	87.0	139,599	103.474	213,849	137.943
Institutional Rehabilitation (Grant-In-Aid to NGOs)	125,406	87.0	16,961	56.499	16,939	60.181
Child Support Programme (CSP)	26,141	26.0	20,406	53.371	35,587	19.767
Pakistan Sweet Homes (Orphanages)	-	-	1,159	40.418	5,393	135.151
Langer Program	-	-	1,439,603	42.177	1,214,096	37.835
Total Disbursement under all Programmes	1,158,922	3,432	1,915,071	2,602	1,885,035	3,224

Source: Pakistan Bait-ul-Maal

#### IV. Benazir Income Support Program (BISP)

**5.11** When the present government took over in 2008 the total amount of subsidies were Rs 295.20 billion according to figures released by the Ministry of Finance. The new regime made a conscious effort to put a stop to the disbursement of blanket subsidies that caused fiscal imbalances in the economy. The overall subsidies had declined to 252.01 billion in FY2009/10 and 131.9 billion in FY2010/11. The initiation of BISP confirmed with the government's intention to focus its efforts on granting targeted subsidies, thus avoiding any wastage of public revenues. The BISP was launched in FY 2008 with an initial allocation of Rs. 34 billion which is the largest allocation in the total budget and was 0.3 percent of the GDP for FY 2008/09. In order to ensure transparent disbursement of budgeted funds the government recently adopted the "Poverty Score Card" under the BISP. The Poverty Score Card is a simple quantitative tool designed by Mark Schreiner<sup>1</sup> to assess poverty likelihood of an individual household. The score card comprises of 10 simple and easy questions which have been assigned weight-age. The households' poverty likelihood is assessed by calculating the weight-age given to the answers. The organizations involved in conducting the Poverty Score Card survey include Rural Support Program Network (RSPN), Population Poverty Alleviation Fund (PPAF) and working under the Federal Bureau of Statistics the Population Support Organization (PSO). The main purpose of this mechanism is to ensure that funds reach the poorest



of the poor. The BISP is aimed at covering almost 15 percent of the entire population, which constitutes 40 percent of the population living below the poverty line.

**5.12** During the PRSP II period (FY 2008/09 - FY 2010/11) the performance of Benazir Income Support Programme showed substantial improvement in terms of disbursements and beneficiaries. Under the BISP, a sum of Rs. 82.134 billion was disbursed during three years period of PRSP–II benefitting around 3.081 million families. The total disbursements incurred in the past three years FY 2008/09 to FY 2010/11 along with the beneficiaries over the time with total allocation of budget is given in table 5.4.

**Table 5.4 Benazir Income Support Programme**

Budget Allocation FY 2008/09	Actual Expenditure & Beneficiaries FY 2008/09		Budget Allocation FY 2009/10	Actual Expenditure & Beneficiaries FY 2009/10		Budget Allocation FY 2010/11	Actual Expenditure & Beneficiaries FY 2010/11	
(Rs. billion)	Disbursements (Rs. billion)	Beneficiaries (million)	(Rs. billion)	Disbursements (Rs. billion)	Beneficiaries (million)	(Rs. billion)	Disbursements (Rs. billion)	Beneficiaries (million)
34.0	15.8	1.76	70.0	32.0	2.29	38.0	34.33	3.081

**5.13** BISP has also initiated three graduation programmes i.e. Waseela-e-Haq (microfinance for entrepreneurship development), Waseela-e-Rozgar (vocational training for improved livelihoods) and Waseela-e-Sehat (Life, accident and health insurance).

**5.14 Waseela-e-Haq**, aiming to break the vicious cycle of poverty provides interest free financial assistance to the randomly selected beneficiaries. The selection of these families is done by computerised transparent balloting process. The process is basically designed to promote self-employment among women beneficiaries. It offers Rs 300, 000 long-term interest free financial assistance based on social capital instead of any physical asset as collateral. Since the initiation of program in FY2009/10 a total of Rs. 135 million was disbursed to 1,294 beneficiaries,

**5.15** Similarly, **Waseela-e-Rozgar** provides free of cost vocational training for woman or a nominee from her own family. This initiative empowers the female beneficiary or her nominee to become economically independent through acquiring demand-driven vocational skill and technical education. Waseela-e-Rozgar is a tool for capacity building and professional development. BISP also focuses on providing economic independence to these families through vocational training. Duration of offered trainings is 3 - 12 months.

**5.16** Another landmark step to reduce the sufferings of the underprivileged segments of the society is the provision of health facilities under **Waseela-e-Sehat**. The programme aims at improving access to health services and reducing income loss of the already marginalized due to health related expenditure. The 1st phase comprising of Life Insurance was launched on January 1, 2011 to provide death coverage of Rs. 100,000 to the bread-earners of every beneficiary family. At the close of June 30, 2011, around 2.047 million families benefitted through a sum of RS. 204.784 million.

## V. Workers Welfare Fund (WWF)

**5.17** Workers Welfare Fund (WWF) was established in 1971 with an initial allocation of Rs. 100 million provided by the Federal Government. The underlying objectives of WWF are:

- Financing of housing projects for the workers
- Financing of welfare measures including education, trainings, skill enhancement, apprenticeship, marriage, death grants and post metric scholarships for the welfare of workers.

**5.18** The Central secretariat of the WWF is based in Islamabad which operates through Workers Welfare Board developed at each provincial headquarter. WWF is supervised by a governing body comprising of the government, workers, and employer representatives. A standard eligibility criterion has been developed to identify the benefits of the WWF projects/schemes details of which are given under;

- The industrial worker must fulfil the definition given in the Workers Welfare Fund Ordinance 1971,
- The industrial worker under the Industrial Relations Act (IRA), 2009 fulfils the definition of the labourer,
- The worker must be registered either with EOBI or with Social Security Institution, and
- The minimum employment period should not be less than 3 years (in case of death grant, this condition is not applicable).

**5.19** A significant decrease was observed in disbursements and beneficiaries under various programs of WWF in FY 2010/11 as compared to the positive growth trends observed in FY2009/10 and FY2010/11. According to figures given in table 5.5, a total of Rs. 1,545.5 million were disbursed in FY 2010/11 under various programmes of WWF. A decline in disbursements caused the number of beneficiaries to decline by 71.7 percent in FY 2010/11 over FY 2009/10 against an upward trend of 11.7 percent observed in FY2009/10.

**5.20** Education Grant cases distributed the maximum of aggregate WWF disbursements (45.3 percent in FY 2008/09 and 50.5 percent in FY 2009/10) of total disbursements whereas in FY 2010/11, Marriage Grants disbursed the highest proportion of 49.3 percent followed by 34.6 percent under Education Grant Cases and 16.1 percent under Death Grant Cases.

**5.21** Disbursements under Marriage Grants depicted a growing trend of 53.7 and 4.8 percent in FY 2010/11 and FY 2009/10 respectively. Death Grants depicted a declining trend for disbursements from -9.2 percent in FY 2010/11 and to -11 percent in FY 2009/10. Scholarship disbursements exhibited a

growth of 25.7 percent in FY 2009/10 whereas nothing was disbursed under this program in FY 2010/11. Beneficiaries under marriage grants increased by 20 percent and fell by 84.4 percent under education grants in FY 2010/11.

**Table 5.5 Workers Welfare Fund**

Programmes	FY 2008/09		FY 2009/10		FY 2010/11	
	No. of Beneficiaries	Disbursement (Rs. Millions)	No. of Beneficiaries	Disbursement (Rs. Millions)	No. of Beneficiaries	Disbursement (Rs. Millions)
Marriage Grant	9,499	473	9,074	495.80	10892	761.82
Death grant Cases	1,135	307	943	273.35	809	248.225
Education Grant Cases	36,314	945	52,746	1,228.73	8251	535.46
Earthquake affectees Cases	339	17	-	-	-	-
Scholarship Cases	15,721	345	7,640	433.73	-	-
Total Disbursement under all Programmes	63,008	2,087	70,403	2,432	19952	1545.5

## VI. Microfinance

**5.22** Microfinance is disbursed through three key instruments namely Micro-Credit, Micro-Savings and Micro-Insurance. This type of capital and financial support to the poor help them in diversifying their options in terms of earning a better livelihood and mitigating potential risks of poverty and social exclusion. The performance of Micro Finance in terms of disbursements and beneficiaries during the PRSP – II period is given in table 5.6.

**5.23** In aggregate terms, data shows that Micro-Credit and Micro-Savings services maintained their rising trends during the comparison period whereas Micro-Insurance services underwent a decline of 37.3 percent and 29.5 percent in disbursements and beneficiaries respectively, in FY 2010/11 as compared to FY 2009/10. Disbursements under Micro credit services were increased to Rs.27,471 million in FY 2010/11 from Rs.25,082 million in FY2009/10 and Rs.20,319 million in FY2008/09, registering an increase of 9.5 and 23.4 percent respectively. Similarly, beneficiaries of Micro-Credit services increased to 2,030,680 in FY 2010/11 from 1,975,820 in FY 2009/10 and 1,782,239 in FY 2008/09.

**Table 5.6: Micro Finance Analysis**

Fiscal Year	Micro-credit		Micro-Savings		Micro-Insurance	
	Active Borrowers	Value (PKR Million)	Active Savers	Value (PKR Million)	Active Policy Holders	Sum insured (PKR Million)
FY 2008/09	1,782,239	20,319	2,153,538	6,893	2,085,395	29,414
FY 2009/10	1,975,820	25,082	2,834,916	9,566	3,813,594	53,706
FY 2010/11	2,030,680	27,471	3,637,888	12,746	2,690,052	33,650
Percentage Changes						
FY09/10 over FY08/09	10.9	23.4	31.6	38.8	82.9	82.6
FY10/11 over FY09/10	2.8	9.5	28.3	33.2	-29.5	-37.3

Source: Pakistan Microfinance Network (PMN), Islamabad.

## Active Borrowers, Active Savers and Active Policy holders by Peer Group

**5.24** The overall performance by all peer groups under microfinance services in terms of their percentage share during time period FY 2008/09 to FY 2010/11 is given in table 5.8. Among all the peer groups, Micro-Finance Banks (MFBs) occupied the maximum share in Active Borrowers while Rural Support Programmes (RSPs) holds the maximum share under Active Savers and Active Policy Holders in all three years of PRSP – II period under review.

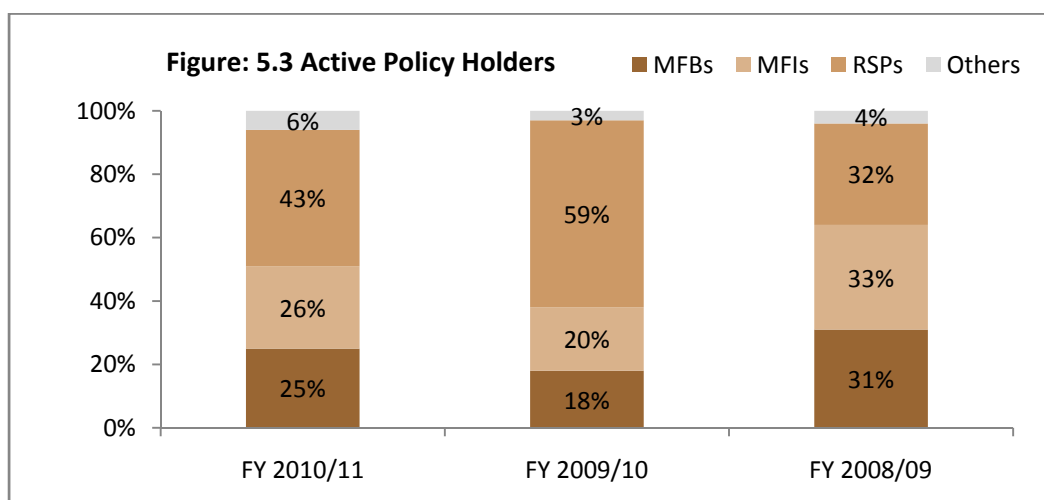
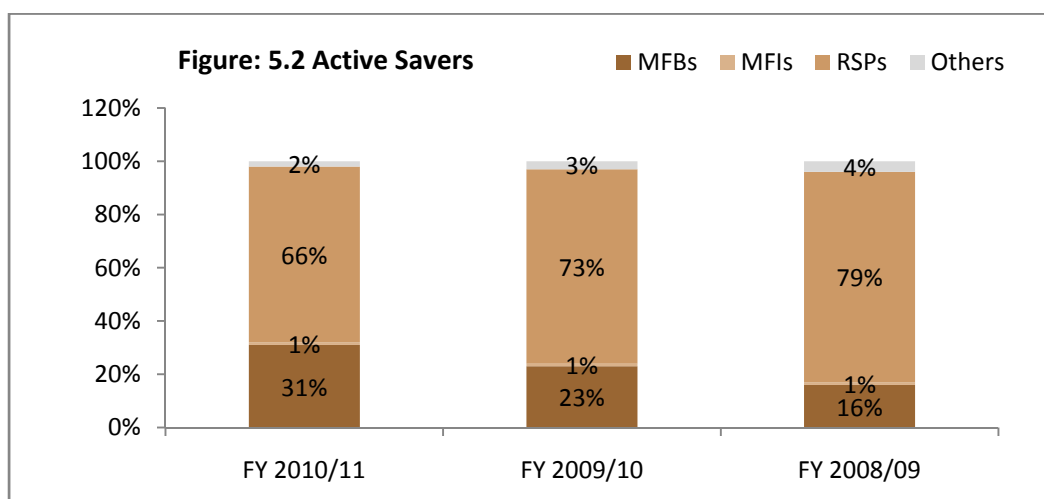
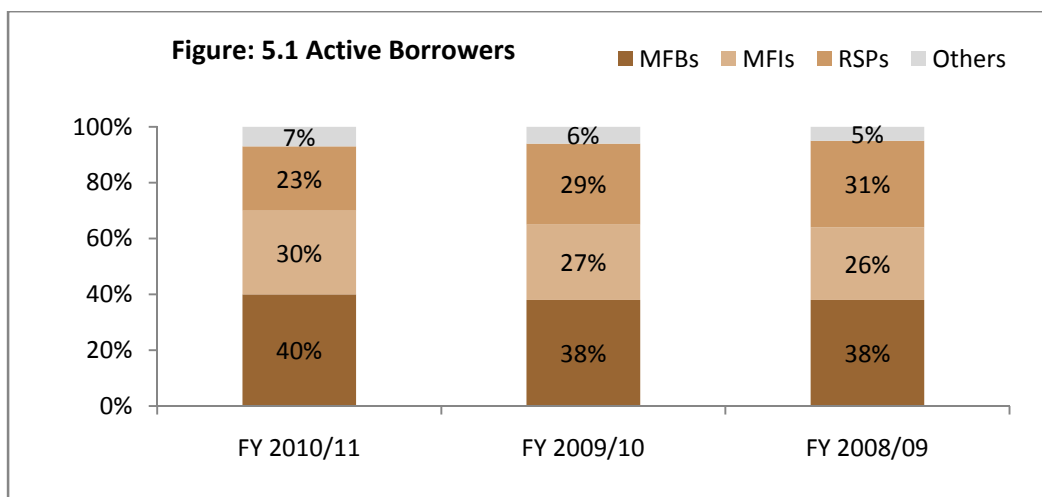
**Table 5.7: Active Borrowers, Active Savers & Active Policy Holders by Peer Groups During FY 2008/09 to FY 2010/11**

Details		Peer Groups			
		MFBs	MFI	RSPs	Others
Active Borrowers	FY 2010/11	40%	30%	23%	7%
	FY 2009/10	38%	27%	29%	6%
	FY 2008/09	38%	26%	31%	5%
Active Savers	FY 2010/11	31%	1%	66%	2%
	FY 2009/10	23%	1%	73%	3%
	FY 2008/09	16%	1%	79%	4%
Active Policy Holders	FY 2010/11	25%	26%	43%	6%
	FY 2009/10	18%	20%	59%	3%
	FY 2008/09	31%	33%	32%	4%

Source: Pakistan Microfinance Network (PMN), Islamabad.

**5.25** According to figures given in table 5.7, share of MFBs in Active borrower category was recorded at 38, 38 and 40 percent during FY2008/09, FY2009/10 and FY2010/11 respectively. Active borrowers of MFIs stood at 26, 27 and 30 percent during the same period depicting an increasing trend. Share of RSPs in Active borrowers declined by 2 percent from 31 percent in FY2008/09 to 29 percent in FY 2009/10. It further declined to 23 percent in FY 2010/11.

**5.26** Likewise, Active Savers showed a continual rise in share of two peer groups i.e. MFBs and Others and decline in RSP's share from 79 percent in FY 2008/09 to 73 percent in FY 2009/10 and 66 percent in FY 2010/11. No change in the share of MFIs was observed (see, Fig 4.2). In contrast to Active Borrowers and Active Savers, share of peer groups for Active Policy Holders observed a fluctuating trend during the three years of comparison (see, Fig 4.3). In active Policy holder, share of MFBs (31,18 & 25 percent) and MFIs (33, 20 & 26 percent), during the three years, first depicted a decline of 13 percent each from FY 2008/09 to FY 2009/10 and finally an increase of 7 percent and 6 percent respectively in FY 2010/11. Share of RSPs significantly increased by 27 percent (32 percent-59 percent) in FY 2009/10 and then gradually declined by 16 percent (59 percent-43 percent) in FY 2010/11.



**Summary of Microcredit Indicators**

**5.27** Summary of micro credit indicators is presented in Table 5.8 for the PRSP-II period FY 2008/09 - FY 2010/11. The statistics given below articulate that all micro credit indicators have underwent a

significant growth except one indicator that is number of loans disbursed from FY 2008/09 to FY 2010/11. In aggregate terms, number of loans disbursed declined to 1,892,966 in FY 2010/11 from 1,966,457 in FY 2009/10 (decline of 3.7 percent) and 1,939,050 in FY 2008/09 (rise of 1.4 percent). Among the micro finance providers, MFBs and MFIs depicted positive growth for all micro credit indicators during the three years of comparison.

**5.28** Number of Branches increased to 1,743 in FY 2010/11 from 1,613 in FY 2009/10 and 1,480 in FY 2008/09, including increase of 8.2 percent by MFBs, 21.6 percent by MFIs, 4 percent by RSPs and a decline of 5.9 percent by Others in FY 2010/11 as compared to FY 2009/10. Cumulative Credit disbursements under the four micro finance service providers recorded an amount of Rs.42,383 million in FY 2010/11 from Rs.33,775 million in FY 2009/10 and Rs.28,660 million, exhibiting an improvement of 25.5 percent and 17.8 percent respectively. Credit disbursements by MFBs increased by 35.4 percent (from Rs.13,837 million in FY 2009/10 to Rs.18,742 million in FY 2010/11), by MFIs increased by 34.2 percent (from Rs.6,219 million in FY 2009/10 to Rs.8,343 million in FY 2010/11), by RSPs increased by 8.3 percent (from Rs. 11,691 million in FY 2009/10 to Rs.12,656 million in FY 2010/11) and Others increased by 30 percent (from Rs.2,030 million in FY 2009/10 to Rs.2,639 million in FY 2010/11).

**5.29** Average Loan size increased substantially to Rs. 20,270 in FY2010/11 from Rs. 18,503 in FY 2009/10 and Rs. 15,688 in FY 2008/09. Individually, 13.9 percent increase in average loan size observed by MFBs (to Rs. 22,001 from Rs.19,314), 22.6 percent by MFIs (to Rs. 19,870 from Rs. 16,202) and 27.1 percent by Others (to Rs. 21,493 from Rs. 16,908) from FY2009/10. Out of Rs. 27,471 million Gross Loan Portfolio during FY 2010/11, MFBs share was Rs. 14,117 million; Rs. 6,416 million was the share of MFIs; Rs. 5,350 million by RSPs and Rs. 1,587 million by 'Others'.

**Table 5.8: Summary of Microcredit Provision**

	Indicators	FY 2008/09	FY 2009/10	FY 2010/ 11
MFBs	Number of Branches/Units	369	402	435
	Gross Loan Portfolio (Rs million)	8,622	10,464	14,117
	Average Loan Balance (Rs)	12,614	14,158	17,484
	Number of Loans disbursed	727,218	765,553	782,916
	Credit Disbursements (Rs million)	11,218	13,837	18,742
	Average Loan Size (Rs)	15,508	19,314	22,001
MFIs	Number of branches/Units	275	352	428
	Gross Loan Portfolio (Rs millions)	4287	5,906	6,416
	Average Loan Balance (Rs)	9406	10,574	10,699
	Number of Loans disbursed	462797	382,584	389,977
	Credit Disbursements (Rs million)	6044	6,219	8,343
	Average Loan Size (Rs)	13937	16,202	19,870
RSPs	Number of Branches/Units	727	706	734
	Gross Loan Portfolio (Rs million)	6014	6,685	5,350
	Average Loan Balance (Rs)	10926	12,066	11,356

**Table 5.8: Summary of Microcredit Provision**

	Indicators	FY 2008/09	FY 2009/10	FY 2010/ 11
	Number of Loans disbursed	648220	695,971	575,960
	Credit Disbursements (Rs million)	9777	11,691	12,656
	Average Loan Size (Rs)	16213	19,581	17,018
Others	Number of Branches/Units	109	153	144
	Gross Loan Portfolio (Rs million)	1397	2,027	1,587
	Average Loan Balance (Rs)	15084	16,329	10,412
	Number of Loans disbursed	96888	122,349	144,113
	Credit Disbursements (Rs million)	1552	2,030	2,639
	Average Loan Size (Rs)	16676	16,908	21,493
Total	Number of Branches/Units	1480	1,613	1,743
	Gross Loan Portfolio (Rs million)	20319	25,082	27,471
	Average Loan Balance (Rs)	11401	12,695	13,528
	Number of Loans disbursed	1939050	1,966,457	1,892,966
	Credit Disbursements (Rs million)	28660	33,775	42,384
	Average Loan Size (Rs)	15688	18,503	20,270

Source: Pakistan Microfinance Network (PMN), Islamabad.

## **Chapter: 6**

# **Monitoring the PRSP Intermediate (Output) Indicators**

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*Micawber's equation:*

*Income 20 pounds; expenditure 19 pounds, 19 shillings and six pence = happiness*

*Income 20 pounds; expenditure 20 pounds and six pence = misery*

*---Charles Dickens (David Copperfield)*

**6.1** This section of the report analyzes the performance of intermediate (output) indicators. These include Education, Health, Environment, Energy Development, Water Supply and Sanitation, People Works Programme-I, Capital for Finance and Development, the Employment situation and Governance for a Fair and Just System in Pakistan during the PRSP –II period ranging from FY 2008/09 to FY 2010/11.

## **I. Education Sector**

**6.2** Education Sector intermediate (output) indicators focus on public schools and details pertaining to the teachers actual posts filled against sanctioned posts, percentage of teachers trained, an update on basic facilities in private schools and deeni madrassahs, technical and vocational skills training, and national internship program. Progress of these indicators during the PRSP II period has been discussed in the following section.

### **Number of Functional Schools**

**6.3** Number of functional primary and middle schools including mosque schools in Pakistan are reported in table 6.1. A total of 141,783 schools were functional in FY 2010/11 against 144,284 in FY 2009/10 registering a decrease of 2,501 schools i.e. 2 percent. During the same period, primary and middle functional schools each decreased by marginally less than 1 percentage point. During the PRSP – II period, a large number of schools were functional. In FY2009/10 144,284 schools were functional, followed by 143,938 in FY 2010/11 and 141,783 in FY 2008/09. The decreasing trend in functional schools may become the basis for deteriorating outcome level indicators including literacy rate and completion of primary and middle level education in Pakistan in the coming years.

**Table 6.1 : Number of Functional Public Schools**

Region/Province	Year	Primary*	Middle	Total
Pakistan	FY 2008/09	128,960	14978	143,938
	FY 2009/10	129,265	15,019	144,284
	FY 2010/11	126,759	15,024	141,783

Continue...

**Table 6.1 : Number of Functional Public Schools**

Region/Province	Year	Primary*	Middle	Total
Punjab	FY 2008/09	47,396	7,461	54,857
	FY 2009/10	46,827	7,599	54,426
	FY 2010/11	45,049	7,652	52,701
Sindh	FY 2008/09	39,258	2,409	41,667
	FY 2009/10	39,859	2,293	42,152
	FY 2010/11	39,762	2,233	41,995
KP	FY 2008/09	22,335	2,530	24,865
	FY 2009/10	22,398	2,526	24,924
	FY 2010/11	22,608	2,540	25,148
Balochistan	FY 2008/09	10,187	884	11,071
	FY 2009/10	10,637	953	11,590
	FY 2010/11	10,116	956	11,072
AJK	FY 2008/09	4,061	997	5,058
	FY 2009/10	4,082	994	5,076
	FY 2010/11	4,094	1,007	5,101
FANA	FY 2008/09	1,299	237	1,536
	FY 2009/10	1,300	241	1,541
	FY 2010/11	1,303	243	1,546
FATA	FY 2008/09	4,219	403	4,622
	FY 2009/10	3,956	356	4,312
	FY 2010/11	3,621	336	3,957
Federal	FY 2008/09	205	57	262
	FY 2009/10	206	57	263
	FY 2010/11	206	57	263

\*Including Mosque Schools.

Source: Pakistan Education Statistics 2009-10 &amp; 2010-11, AEPAM, M/o P&amp;TT, Islamabad.

**6.4** According to figures given in table 6.1 Punjab was the most populous province having the largest number of functional schools i.e. 52,701 in FY 2010/11 as compared to 54,857 in FY 2008/09 followed by 41,995 in Sindh, 25,148 in KP, 11,072 in Balochistan, 5,101 in AJK, 3,957 in FATA, 1,546 in FANA, and 263 in Islamabad Capital Territory (ICT). It is encouraging to see an increase of 0.8 percent in Sindh, 1.1 percent in KP, 0.9 percent in AJK, 0.7 percent in FANA and 0.4 percent in Federal, whereas, a decline of 14 percent and 4 percent was observed in the number of functional schools in FATA and Punjab respectively in FY 2010/11 as compared to FY 2008/09. The main reasons of decrease in functional schools include: 1. Because of the minimum enrolment in one school the same school was merged into another nearer school. 2. Some of the primary schools were altogether closed because of the low enrolment. 3. Some of the primary schools were merged into middle schools.

### **Percentage of Trained Teachers**

**6.5** The percentage of trained teachers dropped by 2 percent at the primary and middle level from 97 percent to 95 percent and from 98 percent to 91 percent respectively during the FY 2010/11 as

compared to FY 2008/09 during the PRSP – II period (see table 6.2). KP and Balochistan showed the highest figures in teacher’s trainings at the primary and middle level respectively during FY 2010/11. In Sindh 94 percent teachers were trained at the primary level while 96 percent were trained at the middle level. At the primary level, percentage of trained teachers decreased by 6 percentage points in Punjab, 31 percentage points in FATA, 4 percentage points in ICT, 1 percentage points in KP during FY 2010/11 in comparison with FY 2008/09. At the middle level, percentage of trained teachers decreased by 13 percentage points in Punjab, 11 percentage points in FATA and 6 percentage points in ICT during the three years period under review. No change was observed at the primary level in Balochistan and AJK during FY 2008/09 and FY 2010/11. Also, no change has been observed at the middle level in the percentage of teachers trained in KP and AJK during the comparison period.

**Table 6.2 : Percentage of Trained Teachers**

Region/ Province	FY 2008/09		FY 2009/10		FY 2010/11	
	Primary *	Middle	Primary*	Middle	Primary*	Middle
Pakistan	97	98	95	91	95	91
Punjab	100	100	95	88	94	87
Sindh	92	94	92	96	94	96
KP	100	100	100	100	99	100
Baluchistan	99	94	99	97	99	97
AJK	81	94	87	94	81	94
FATA	99	100	65	88	68	89
FANA	69	87	97	98	94	93
ICT	96	97	92	91	92	91

\*Including Mosque Schools.

Source: Pakistan Education Statistics 2009-10 & 2010-11, AEPAM, M/o P&TT, Islamabad.

## **Basic Facilities in Public Schools**

**6.6** The figures given in table 6.3 give the detail of basic facilities provided in public schools all over Pakistan. Basic facilities include access to water, latrine, electricity, and boundary wall in schools. At the national level, public schools containing the above facilities increased in FY 2010/11 as compared to FY 2008/09. A total of 67 percent, 64 percent, 42 percent and 64 percent schools contained the facilities of water, latrines, electricity and boundary wall respectively in FY 2010/11 relative to 64, 60, 37 and 60 percent in FY 2009/10 and 55, 52, 38 and 51 percent in FY 2008/09. The proportion of public schools with boundary walls in FY2010/11 increased significantly by 13 percentage points from 51 percent to 64 percent, followed by the proportion of schools with water and latrine facility, each depicting an increase of 12 percentage points from 55 percent to 67 percent and from 52 percent to 64 percent respectively from FY 2008/09, only 4 percentage points change was observed in electricity from 38 percent to 42 percent.

**Table 6.3: Proportion of Public Schools with Basic Facilities**

Region/Province	Years	Level	Water	Latrine	Electricity	Boundary-Wall
			(percent)	(percent)	(percent)	(percent)
Pakistan	FY 2008/09	Primary*	64	60	34	59
		Middle	80	79	68	77
		Total	55	52	38	51
	FY 2009/10	Primary*	62	58	33	58
		Middle	78	78	67	77
		Total	64	60	37	60
	FY 2010/11	Primary*	65	62	39	62
		Middle	81	84	72	80
		Total	67	64	42	64
Punjab	FY 2008/09	Primary*	83	72	48	74
		Middle	97	91	88	90
		Total	85	74	54	77
	FY 2009/10	Primary*	82	73	51	76
		Middle	95	93	87	92
		Total	84	76	56	78
	FY 2010/11	Primary*	87	81	57	80
		Middle	96	96	91	93
		Total	88	83	62	82
Sindh	FY 2008/09	Primary*	49	57	18	52
		Middle	58	70	35	70
		Total	50	57	19	53
	FY 2009/10	Primary*	49	54	14	49
		Middle	55	69	26	66
		Total	49	55	15	50
	FY 2010/11	Primary*	49	55	22	52
		Middle	61	73	42	71
		Total	49	56	24	53
KP	FY 2008/09	Primary*	60	68	44	64
		Middle	70	81	64	71
		Total	61	69	46	65
	FY 2009/10	Primary*	63	70	46	67
		Middle	74	85	67	75
		Total	64	71	48	68
	FY 2010/11	Primary*	65	73	49	70
		Middle	75	87	70	79
		Total	66	74	52	71
Balochistan	FY 2008/09	Primary*	64	27	15	33
		Middle	70	59	41	68
		Total	65	30	17	36
	FY 2009/10	Primary*	53	2	14	22
		Middle	58	3	41	41
		Total	54	2	17	24
	FY 2010/11	Primary*	72	16	17	30
		Middle	73	53	40	61
		Total	72	19	19	32

**Table 6.3: Proportion of Public Schools with Basic Facilities**

Region/Province	Years	Level	Water	Latrine	Electricity	Boundary-Wall
			(percent)	(percent)	(percent)	(percent)
AJK	FY 2008/09	Primary*	32	29	11	10
		Middle	48	40	31	17
		Total	35	31	15	12
	FY 2009/10	Primary*	27	25	14	13
		Middle	43	42	35	23
		Total	30	28	18	15
	FY 2010/11	Primary*	26	27	12	17
		Middle	46	50	35	28
		Total	30	31	16	19
FANA	FY 2008/09	Primary*	28	30	27	28
		Middle	57	55	61	53
		Total	33	34	32	32
	FY 2009/10	Primary*	32	34	20	26
		Middle	73	85	99	71
		Total	38	42	32	33
	FY 2010/11	Primary*	32	34	20	26
		Middle	73	85	99	71
		Total	38	42	33	33
FATA	FY 2008/09	Primary*	34	38	43	55
		Middle	58	61	70	89
		Total	36	40	45	58
	FY 2009/10	Primary*	35	34	37	55
		Middle	51	52	61	81
		Total	36	36	39	57
	FY 2010/11	Primary*	36	37	37	54
		Middle	54	54	60	79
		Total	38	39	39	56
Federal	FY 2008/09	Primary*	98	86	97	97
		Middle	98	86	100	95
		Total	98	86	97	96
	FY 2009/10	Primary*	97	97	97	89
		Middle	96	96	100	86
		Total	97	97	98	89
	FY 2010/11	Primary*	97	97	97	89
		Middle	96	96	100	86
		Total	97	97	98	89

\*Including Mosque Schools.

Source: Pakistan Education Statistics 2009-10 &amp; 2010-11, AEPAM, M/o P&amp;TT, Islamabad.

**6.7** The federal capital was the only area where the proportion of public schools with basic facilities except in the case of boundary walls was above 95 percent in FY 2010/11. The Federal Area increased the proportion of public schools having latrine and electricity while a decrease of 1 and 7 percentage points was registered in the case of water and boundary walls respectively during FY 2010/11 as compared to FY 2008/09.

**6.8** Between FY 2008/09 and FY 2010/11, the proportion of public schools having water facilities declined by 5 percentage points in AJK, 1 percentage point in Sindh while increased by 3,5,7,5 & 2 percentage points in Punjab, KP, Balochistan, FANA and FATA respectively. Schools with latrine facilities decreased by 1 percentage points each in FATA and Sindh, 11 percentage points in Balochistan whereas increased by 9 percentage points in Punjab, 5 percentage points in KP, 8 percentage points in FANA and no change was observed in AJK. Proportion of schools with electricity facilities declined by 6 percentage points in FATA while increased by 8,5,6,2,1,1 percentage points in Punjab, Sindh, KP, Balochistan, AJK and FANA respectively. Proportion of schools having boundary walls declined by 4 and 2 percentage points in Balochistan and FATA respectively, on the contrary, increased by 5,6,7,1 percentage points in Punjab, KP, AJK and FANA respectively when compared with that in FY 2008/09.

## Private Schools and Deeni Madrassahs

**6.9** Data regarding Private schools and Deeni Madrassahs both at Primary and Middle level are given in table 6.4. At the national level, a total of 43,838 private schools and 12,910 Deeni Madrassahs were reported in FY 2010/11 against 42,736 private schools and 12,231 Deeni Madrassahs in FY 2008/09 registering a nominal increase of 3 percent in private schools and 6 percent in the case of Deeni Madrassahs.

**Table 6.4 Private Schools (Primary\* and Middle) and Deeni Madrassahs**

S. No.	Indicator	FY 2008/09		FY 2009/10		FY 2010/11	
		Target	Actual	Target	Actual	Target	Actual
1.	No. of Private Schools	-	42,736	-	43,284	-	43,838
2.	No. of madrassahs mainstreamed	-	12,231	-	12,761	-	12,910

\*Including Mosque Schools.

Source: Pakistan Education Statistics 2009-10 & 2010-11, AEPAM, M/o P&TT, Islamabad.

## Technical and Vocational Trainings

**6.10** There is an established positive linkage between economic growth and investment in human capital. The establishment of National Vocational and Technical Education Commission (NAVTEC) and a coherent national policy for Technical and Vocational Education & Training (TVET) is expected to play a key role in Pakistan's economic growth. Pakistan's global competitiveness depends on the ability of our TVET system to adapt and advance. Through industrial linkages, employment generation and interventions for skill development, the Commission intends to contribute towards poverty alleviation in the country. It aims to provide adequate access to TVET facilities and cater for deficient areas and target groups such as women, workers of the informal sector and the destitute sections of society. During FY 2009/10, the target for the technical and vocational trainings was 31 percent more i.e. 96,310 against 73,251 fixed for the last Year (see table 6.5). Whereas, the actual number of trainees increased to 15

percent from 26,925 to 31,051 in FY 2009/10. The male to female trainees' ratio was 71:29 in FY 2009/10 against the 70:30 in FY 2008/09. Data for FY 2010/11 is not available to report here.

**Table 6.5 Technical and Vocational Trainings**

S. No.	Indicator	FY 2008/09		FY 2009/10		FY 2010/11*	
		Target	Actual	Target	Actual	Target	Actual
No of Persons trained by NAVTEC							
1	Male	60,453	18,901	80,635	22,006	N/A	N/A
2	Female	12,798	8,024	15,675	9,045	N/A	N/A
3	Total	73,251	26,925	96,310	31,051	N/A	N/A

\* Data for FY 2010/11 not received.

## National Internship Program (NIP)

**6.11** The National Internship Program (NIP) was designed for the young unemployed postgraduates and graduates all over the country. The individuals who have completed sixteen years of education from recognized universities or degree awarding institutions including external candidates were given the opportunity to work as interns. The scheme was intended to provide financial relief to fresh graduates and also to keep them engaged and interested in acquiring additional knowledge and work experience and exposure.

**Table 6.6: National Internship Program (NIP)**

Indicator	FY 2008/09	FY 2009/10	FY 2010/11
No of Internships provided under NIP			
Male	10,745	11,675	11,894
Female	10,659	11,082	11,658
Total	21,404	22,757	23,552

**6.12** During FY2009/10, 30,000 internships were planned by the GOP under the NIP, out of which 22,757 i.e. 76% fresh graduates were engaged in various government departments (see table 6.6) which was 6 percent more than the last year. In FY 2010/11, a total of 23,552 internships were offered by the government which benefitted 11,894 males and 11,658 females. The male to female ratio for this internship program stood at 51:49 in last two fiscal years.

## II. Health Sector

**6.13** This section discusses the performance of health sector intermediate (output) indicators such as; immunization coverage for pregnant women and children (aged 12-23 months); number of lady health workers and coverage of the lady health workers during the PRSP – II period FY 2008/09 - FY 2010/11.

## Immunization Coverage of Pregnant Women

**6.14** Coverage of Tetanus Toxoid-1 (TT-1) and Tetanus Toxoid-2+ (TT-2+) immunization for pregnant women in every region is reported in table 6.7. At the national level, 6,018,504 pregnant women were targeted for immunization in FY 2010/11 as compared to 6,752,057 during FY 2009/10, while 7,423,023 were targeted during FY 2008/09, depicting a significant decrease of 11 percent in FY 2010/11 over FY 2009/10 and 9 percent in FY 2009/10 over FY 2008/09.

**6.15** A proportion of 72 and 73 percent women were immunized in FY 2010/11 relative to 63 and 65 percent in FY 2009/10 and 51 and 54 percent in FY 2008/09 under TT-1 and TT-2 respectively. TT-1 and TT-2+ immunization coverage increased by 14 and 12 percentage points, respectively in FY 2010/11 over FY 2009/10.

**6.16** Among all regions, AJK recorded the highest coverage for both TT-1 and TT-2+ immunization i.e. 98 percent and 97 percent respectively, followed by Punjab with 86 percent immunization coverage for TT-1 and 83 percent for TT-2+. However, FANA had the lowest coverage of 35 percent in TT-1 immunization and CDA had the lowest TT-2+ immunization coverage of 36 percent in FY 2010/11.

**6.17** Punjab, Sindh, KP, FATA, Baluchistan and AJK witnessed an increase in the immunization coverage. The coverage in Punjab increased by 14 percentage points in TT-1 immunization and 11 percentage points in TT-2+ immunization during FY 2010/11 to FY2009/10. Immunization coverage in Sindh increased by 18 percentage points for TT-1 and 15 percentage points for TT-2+, in KP increased by 15 percentage points for TT-1 and 13 percentage points for TT-2+, in FATA immunization coverage increased by 20 and 13 percentage points and in Balochistan it boost by 8 and 10 percentage points for TT-1 & TT-2+ respectively.

**6.18** Coverage in AJK increased by 13 percentage point for TT-2+ and 11 points in TT-1 immunization coverage. TT-1 immunization coverage in FANA decreased by 15 percentage points and 10 percentage points in TT-2+ immunization coverage while in ICT it increased by 14 & 19 percentage points respectively. Immunization coverage for TT-1 and TT-2+ in CDA increased by 12 and 89 percent respectively during FY 2010/11 with comparison to FY 2009/10.

**Table 6.7 : TT- Immunization Coverage for Pregnant Women**

Province/Region	FY 2008/09			FY 2009/10			FY 2010/11		
	TT-Immunization			TT-Immunization			TT-Immunization		
	Target Population	TT-1	TT2+	Target Population	TT-1	TT2+	Target Population	TT-1	TT2+
	(+4.1 percent Pop)	Cov percent	Cov percent	(+4.1 percent Pop)	Cov percent	Cov percent	(+4.1 percent Pop)	Cov percent	Cov percent
Punjab	39,78,194	58	60	3,604,700	71	75	3,201,844	81	83
Sindh	1,683,236	45	51	1,534,355	51	52	1,366,200	60	60
KP	984,117	43	41	896,546	59	54	800,461	68	61
FATA	164,416	55	68	149,210	65	76	132,407	78	86
Balochistan	354,656	31	33	322,663	39	41	288,889	42	45

Continue...



AJK	156,866	61	57	142,064	88	86	126,389	98	97
FANA	45,583	29	33	49,940	41	49	54,167	35	44
ICT	19,184	39	30	18,028	42	32	16,507	48	38
CDA	36,770	32	16	34,553	41	19	31,642	46	36
Pakistan	7,423,023	51	54	6,752,057	63	65	6,018,504	72	73

Source: Federal EPI Cell, National Institute of Health

## Immunization Coverage of Children 12-23 months

**6.19** Immunization has a positive impact on reduction in child malnutrition as well as mortality. Full immunization of a child includes eight recommended vaccines: BCG, DPT1, DPT2, DPT3, Polio1, Polio 2, Polio 3 and measles. The PSLM 2008/09, survey data on child immunization was collected using two methods, 'recall' and 'record'. The analysis given below represents results based on both methods jointly.

**6.20** Government of Pakistan conducts PSLM survey every year, however, the survey could not be conducted during FY 2009/10. A comparison of data collected during FY 2010/11 and FY 2008/09 has been discussed.

**6.21** Percentage of children aged 12-23 months who have been immunized during the comparison period is given in table 6.8. Overall the record and recall based full immunization coverage (all 8 recommended vaccines) increased significantly by 3 percentage points from 78 percent in FY2008/09 to 81 percent in FY2010/11. The full immunization rate increased in Punjab by 1 percentage points (from 85 to 86 percent), in Sindh by 6 percentage points (from 69 to 75 percent), in KP by 4 percentage points (from 73 to 77) and in Balochistan by 13 percentage point (from 43 to 56 percent) in FY2010/11 as compared to FY 2008/09.

**Table 6.8: Percentage of Children 12-23 Months That Have Been Immunized**

Province/Region	FY 2008/09			FY 2009/10			FY 2010/11		
	Male	Female	Both	Male	Female	Both	Male	Female	Both
Urban Areas	87	86	87	-	-	-	87	84	85
Punjab	90	87	88	-	-	-	89	83	86
Sindh	85	84	85	-	-	-	83	87	85
KP	84	88	86	-	-	-	83	79	81
Balochistan	73	74	73	-	-	-	81	86	84
Rural Areas	75	74	74	-	-	-	80	77	79
Punjab	84	83	84	-	-	-	87	85	86
Sindh	57	58	57	-	-	-	70	64	67
KP	71	72	71	-	-	-	77	77	77
Balochistan	37	35	36	-	-	-	45	45	45
Overall	78	77	78	-	-	-	82	79	81
Punjab	86	84	85	-	-	-	87	84	86
Sindh	69	68	69	-	-	-	75	74	75
KP	73	74	73	-	-	-	78	77	77
Balochistan	43	42	43	-	-	-	55	56	56

Source: PSLM 2008/09 and 2010/11

## Lady Health Workers (LHWs)

**6.22** Table 6.9 gives the detail of population covered by LHWs. The population stood at 89.10 million during FY 2010/11 as compared to 86.06 million in FY 2009/10 registering an increase of 4 percent in FY 2010/11 over FY 2009/10. LHW's coverage in urban areas increased by 12 percent and 2 percent in rural areas respectively in FY 2010/11 and 10 and 5 percent respectively in FY 2009/10. Population covered by LHWs in Punjab, Sindh, AJK, FANA and FATA increased by 4, 4, 1, 1 and 15 percent respectively whereas it decreased by 5 percent in ICT and no change took place in KP and Balochistan during FY 2010/11 as compared to FY 2009/10.

**Table 6.9: Population Covered by LHW's**

	FY 2008/09			FY 2009/10			FY 2010/11		
	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total
Punjab	7,098,618	38,380,045	45,478,663	7,422,372	40,144,507	47,566,879	7,731,234	41,916,775	49,648,009
Sindh	3,640,031	13,202,396	16,842,427	4,405,335	13,782,279	18,187,614	5,251,572	13,748,811	19,000,383
KP	1,369,563	9,969,546	11,339,109	1,712,083	10,561,750	12,273,833	2,332,948	9,936,221	12,269,169
Baluchistan	1,336,363	2,138,222	3,474,585	1,336,363	2,138,222	3,474,585	1,336,363	2,138,222	3,474,585
AJK	198,138	2,101,490	2,299,628	200,104	2,211,644	2,411,748	197,094	2,228,994	2,426,088
FANA	138,366	534,834	673,200	152,728	643,510	796,238	154,159	649,887	804,046
FATA	0	1,012,895	1,012,895	-	1,002,052	1,002,052	0	1,148,724	1,148,724
ICT	38,242	259,702	297,944	40,124	310,457	350,581	39,111	294,203	333,314
<b>Total</b>	<b>13,819,321</b>	<b>67,599,130</b>	<b>81,418,451</b>	<b>15,269,109</b>	<b>70,794,421</b>	<b>86,063,530</b>	<b>17,042,481</b>	<b>72,061,837</b>	<b>89,104,318</b>

Source: National Programme for Family Planning and Primary Health Care, Ministry of Health

**6.23** During the three years period, total number of LHWs (Table 6.10) increased to 102,931 (3 percent growth) in FY 2010/11 from 99,688 (an increase of 8 percent) in FY 2009/10 and 92,064 in FY 2008/09. This number increased by 5 and 3 percent in urban and rural areas respectively in FY 2010/11 from FY 2009/10 and by 11 and 8 percent in FY 2009/10 over FY 2008/09. A ratio of 83:17 of total LHWs were sent to rural and urban areas respectively in FY 2010/11 against the proportion of 84:16 percent in last two years. Out of the total, 51 percent LHWs were sent to Punjab whereas the proportion of LHWs in Sindh, KP, Balochistan, AJK, FANA, FATA and ICT stood at 22, 14, 7, 3, 1, 1 and 0.33 percent, respectively during FY 2010/11.

**6.24** The total strength of LHWs increased substantially in Punjab and FANA by 5 percent each, followed by 4 percent in KP and 1 percent in Sindh, Balochistan and ICT during FY 2010/11 as compared to FY 2009/10, whereas no change was recorded in the strength of the LHWs in AJK and FATA. In urban areas, number of LHWs in Punjab and KP increased by 10 percent each, 4 percent in Balochistan and 3 percent in AJK, whereas the number decreased by 3 and 2 percent in Sindh and FANA respectively in FY 2010/11 over FY 2009/10. No LHW was deployed in urban areas of FATA during the three fiscal years. In rural areas number of LHWs increased by 4, 1, 3, 6 and 1 percent in Punjab, Sindh, KP, FANA and ICT respectively while it declined by 1 percent in Balochistan with no change observed in the strength of LHWs at AJK and FATA during FY 2010/11 from FY 2009/10.

**Table 6.10 : Total Strength of LHW's**

	FY 2008/09			FY 2009/10			FY 2010/11		
	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total
<b>Punjab</b>	7,136	40,425	47,561	7,397	42,938	50,335	8,125	44,617	52,742
<b>Sindh</b>	3,669	16,023	19,692	4,628	18,192	22,820	4,510	18,444	22,954
<b>KP</b>	1,399	11,201	12,600	1,756	11,882	13,638	1,933	12,277	14,210
<b>Baluchistan</b>	1,929	4,032	5,961	2,001	4,673	6,674	2,088	4,638	6,726
<b>AJK</b>	185	2,965	3,150	180	2,957	3,137	185	2,963	3,148
<b>FANA</b>	157	1097	1,254	178	1,102	1,280	175	1,170	1,345
<b>FATA</b>	0	1,495	1,495	0	1,463	1,463	0	1,463	1,463
<b>ICT</b>	36	315	351	38	303	341	38	305	343
<b>Total</b>	<b>14,511</b>	<b>77,553</b>	<b>92,064</b>	<b>16,178</b>	<b>83,494</b>	<b>99,688</b>	<b>17,054</b>	<b>85,877</b>	<b>102,931</b>

\* Includes under training LHWs

Source: National Programme for Family Planning and Primary Health Care, Ministry of Health

### III. Environment/Water Supply and Sanitation

**6.25** This section discusses the progress of Environment and Water Supply and Sanitation sectors intermediate (output) indicators. These include forests, protected land area, depletion of ozone layer, water purification plants installed under clean drinking water programme and the number of functional/operational plants during FY 2008/09 and FY 2009/10 (see, table 6.11). Data for FY 2010/11 was not available.

#### Land Area Covered by Forests

**6.26** Forests occupy only 5.1 percent of the total land area in Pakistan. The country is facing one of the highest rates of deforestation in the world. One third of the forest is productive and the remaining two third is maintained for environmental stability. Ministry of Environment, which has been devolved, launched several projects/schemes to enhance forest covered area in Pakistan. No change has taken place in the target and actual percentage of the forest covered area in Pakistan during FY 2008/09 and FY 2009/10 (see table 6.11). The target stood at 6 percent whereas the actual area covered by forests was at 5.01 percent in both fiscal years. Data for FY 2010/11 is not available to report here.

**Table 6.11 Percentage of Land Area Covered by Forests**

S. No.	Indicator	FY 2008/09		2009/10		FY 2010/11	
		Target	Actual	Target	Actual	Target	Actual
1.	Percentage of land area covered by Forests	6%	5.01%	6%	5.01%	N.A	N.A

N.A Not available

Source: Ministry of Environment, GOP

#### Land Area Protected

**6.27** In Pakistan, a national park is an area of outstanding scenic merit where the landscape, flora and fauna are protected and preserved in their natural state. Public access to such recreational facilities must be ensured by the government. Access roads and other facilities should be planned so that they do not conflict with the main objectives of national parks. Clearing land for cultivation, mining or allowing

polluted water to flow in National Parks is also prohibited. In addition to National Parks, Pakistan has Wildlife Sanctuaries which are areas set aside for the protection of wildlife. Public access is prohibited or regulated and no exploitation of forests is allowed. Game reserves, hunting and shooting of wild animals is regulated under permit. As far as the protected area as percentage of total area is concerned, no change has taken place in the target and actual percentage of the land area protected in Pakistan during FY 2008/09 and FY 2009/10 (see table 6.12). The target stood at 12 percent whereas the actual area protected remained at 11.35 percent in the comparison period. The data for FY 2010/11 was not available to report here.

**Table 6.12 Land Protected Area**

S. No.	Indicator	FY 2008/09		2009/10		FY 2010/11	
		Target	Actual	Target	Actual	Target	Actual
1.	Protected area percentage of the total area	12%	11.35%	12%	11.35%	N.A	N.A

N.A Not available

Source: Ministry of Environment, GOP

## Depletion of Ozone Layer

**6.28** The ozone layer protects the Earth from the ultraviolet radiations of the sun. If the ozone layer is depleted by human action, the effects on the planet could be catastrophic. Ozone is present in the stratosphere. The stratosphere reaches 30 miles above the Earth, and at the very top it contains ozone. The sun rays are absorbed by the ozone in the stratosphere and thus do not reach the Earth. The target for reducing Ozone depleting substances was 251.9 metric tons while the actual progress was 167.42 Metric tons in FY 2008/09. The data for the FYs 2009/10 and 2010/11 were not available to report here. (See table 6.13).

**Table 6.13 Depletion of Ozone Layer**

S. No.	Indicator	FY 2008/09		2009/10		FY 2010/11	
		Target	Actual	Target	Actual	Target	Actual
1.	Ozone depleting substance (level of CFC reduced)	251.9 Metric tons	167.42 Metric tons	N.A	N.A	N.A	N.A

N.A Not available

Source: Ministry of Environment, GOP

## Integrated Energy Development Program

**6.29** A review of the past pattern of energy consumption reveals that there is a persistent shift in energy consumption from petroleum products to other energy sources such as coal, electricity and gas. This shift has been observed in the case of electricity consumption and growth rate of energy supply invariably (see table 6.14). Per capita consumption of electricity was 457 Kilo Watt Hour (KWH) in FY 2008/09.

**Table 6.14 Integrated Energy Development**

S. No.	Indicator	FY 2008/09		2009/10		FY 2010/11	
		Target	Actual	Target	Actual	Target	Actual
1.	Per capita consumption of electricity (KWH)	-	457 KWH	N.A	N.A	N.A	N.A
2.	Energy supplies growth (%)	-	-2.50	N.A	N.A	N.A	N.A

N.A Not available

Source: Ministry of Petroleum and Natural Resources, GOP

## Water Supply & Sanitation

**6.30** It is the priority of the Government to provide clean drinking water to its people. Unfortunately, most of the water sources are contaminated and there exists no proper mechanism whereby poor people could get clean water (both biologically and chemically treated). Safe drinking water supplied through water purification plants provides safeguard to human health, including reduction in the mortality rate (associated with lack of access to safe drinking water, inadequate sanitation and poor hygiene) by improving the quality of drinking water. GOP has planned to install 6,620 water filtration plants all over the country. During FY 2009/10, 370 new water filtration plants were installed which made the cumulative number 1,145 inclusive of those plants installed in FY 2008/09. At the close of the FY 2009/10, only 679 plants (include those installed in FY 2008/09) were functional. Remaining 466 plants were not functional because of the lack of the provision of electricity in the rural areas and some other technical maintenance problems all over the country. The data for the FY 2010/11 was not available to report here.

**Table 6.15 Water Supply through Water Purification Plants**

S. No.	Indicator	FY 2008/09		FY 2009/10		FY 2010/11	
		Target	Actual	Target	Actual	Target	Actual
1.	No. of water purification plants installed under clean drinking water program	2721	775	2271	370	N.A	N.A
2.	No. of functional/operational water purification plants	-	680	-	679	N.A	N.A

N.A. Not available

Source: Ministry of Special Initiatives Clean Drinking Water for All (CDWA) Project

## IV. People Works Programme-I (PWP-I)

**6.31.** People's Works Programme covers numerous developmental schemes for the provision of electricity, gas, farm to market roads, telephone, education, health, water supply, sanitation and bulldozers hours facilities to the rural poor. Budget allocated for FY 2009/10 stood at Rs 35.0 billion out of which Rs 31.billion was utilized during July-March, FY 2009/10. Up till March, 2010, 904 schemes were approved under PWP I, with the highest number of schemes under Road i.e. 320 followed by 272 schemes related to Water Supply and 209 electrification schemes.

**6.32** Under PWP-I, a total of 2330 schemes were approved during FY 2010/11 as compared to approval of 6,918 schemes during FY 2009/10 registering a 66 percent down turn, as reported in table

6.16. While a noteworthy increase of 79 percent from 3864 in FY 2008/09 to 6918 in FY 2009/10 was observed. The reduction in approved schemes for PWP-I in FY 2010/11 is the consequence of gigantic reduction in development spending by the government on account of disastrous floods in the country.

**6.33** During FY 2010/11 among the 2330 total schemes, 45 percent were accepted for Punjab, 12 percent approved for Sindh, 26 percent for KP, 7 percent for Balochistan, 9 percent for FATA, while 1 percent agreed for ICT. In three years time, maximum priority was assigned to Roads followed by Electrification and Water supply. In this regard, 49 percent of total schemes were approved for road development followed by 26 percent for provision of electricity, 13 percent for Water Supply, 8 percent for sanitation, 2 percent for education, 1 percent for health and Gas in all provinces including FATA and ICT. The same trend was observed during FY 2009/10 with 44, 27, 17, 5, 5, and 1 percent schemes were approved for roads electrification, water supply, sanitation, education, health and gas respectively in all provinces (see, table 6.16). No schemes were approved for Telephone in all three years under consideration.

**Table 6.16: Number of PWP Schemes approved under each category**

FY 2008/09										
Province	Roads	Electri-fication	Gas	Telephone	Education	Health	Water Supply	Sanitation	Bulldozers Hours	Total Schemes
Punjab	893	577	33	1	33	11	46	70	2	1,666
Sindh	169	233	1	-	87	15	19	39	-	563
KP	368	322	15	-	12	21	164	28	3	933
Balo-chistan	62	108	-	-	31	16	124	8	10	359
FATA	15	20	-	-	4	6	214	-	1	287
ICT	22	22	2	0	4	3	5	-	-	56
Total	1527	1,282	50	1	171	72	599	145	16	3,864
FY 2009/10										
Punjab	1,610	936	59	-	74	12	162	241	2	3,096
Sindh	311	269	6	-	186	10	89	26	1	898
KP	957	404	48	-	7	8	376	25	1	1,826
Balo-chistan	81	213	1	-	63	23	136	19	10	546
FATA	68	14	-	-	4	5	389	-	-	480
ICT	31	19	7	-	7	3	2	3	-	72
Total	3,058	1,855	121	-	341	61	1,154	314	14	6,918
FY 2010/11										
Punjab	552	264	13	-	24	3	46	148	-	1050
Sindh	111	117	4	-	11	2	27	7	-	279
KP	285	157	6	-	7	3	122	36	1	617
Balo-chistan	40	44	-	-	5	4	68	3	-	164
FATA	148	-	-	-	-	-	51	-	1	200
ICT	-	18	2	-	-	-	-	-	-	20
Total	1136	600	25	-	47	12	314	194	2	2330

## V. Capital and Finance for Development

**6.34** Pakistan attaches great importance to financial sector development. The financial sector is seen as playing a critical role in facilitating economic growth, directly through broadening access to finance and indirectly through its contribution in poverty reduction. Keeping in view the importance of the sector, a set of key (intermediate) output indicators reflecting the health of financial institutions were included in the Monitoring Matrix of the PRSP II for regular review and analysis. These indicators are being developed to cover progress of the Pillar 8: Capital and Finance for Development. State Bank of Pakistan (SBP) has developed a supervisory framework, which covers the risk monitoring indicators through a regular review of performance of financial institutions/banks. Sections 5.29 to 5.34 and table 6.17 discusses Capital Adequacy, Asset Quality, Management Quality, Earnings and Profitability, and Sensitivity to Market Risk. While data for the FY 2010/11 was not available to report here.

**Table 6.17 Progress of Output Indicators**

Sr. No	Intermediate (Output) Indicators	FY 2008/09	FY 2009/10	FY 2010/11
1.	<b>Capital Adequacy</b> Capital to Liability Ratio	12.3%	14%	N.A
2.	<b>Asset Quality</b> NPLs to Gross Advance Ratio	11.5%	15.6%	N.A
3.	<b>Management Soundness</b> Cost /Income Ratio	-	-	N.A
4.	<b>Earnings and Profitability</b>	0.8	0.91	N.A
5.	<b>Liquidity</b> Loans to deposit ratio	-	-	N.A

N.A: Not Available

Source: State Bank of Pakistan (SBP)

### Capital Adequacy Ratio (CAR)

**6.35** Capital Adequacy Ratio (CAR), also called Capital to Risk (weighted) Assets Ratio (CRAR), is a ratio of bank's capital to its risk. SBP tracks a bank's CRR to ensure that it can absorb a reasonable amount of loss complying with their statutory capital requirements. The recent global financial crisis has encouraged a trend towards capital requirements. Under these circumstances, the financial institutions find it difficult to raise the needed capital, and would be reluctant on lending to the private sector. CAR improved sharply in Pakistan since 2002-03. However, CAR increased marginally to 14 % during FY 2009/10 compared with 13.2 percent in FY 2008/09. Even at this level, CAR is much higher than the standard benchmark of 9 percent for the industry.

### Earnings and Profitability

**6.36** The soundness and security of any banking system depends on its capability to earn from its assets. The profits of banks also act as a frontline defense to absorb losses without disturbing the capital base. This is the second consecutive year when banks are facing decline in their profits. After recovery from the international financial crisis, the return on assets (ROA) has increased from 0.8% in FY 2008/09 to 0.91% in FY 2009/10.

## Liquidity

**6.37** An adequate liquidity position refers to a situation, where an institution can obtain sufficient funds, either by increasing liabilities or by converting its assets quickly at a minimal cost. It is, therefore, generally assessed in terms of overall assets and liability management as mismatching gives rise to liquidity risk. The liquidity management remained quite challenging during FY 2009/10 as SBP had to maintain a balance between overall monetary policy objectives of containing excess demand on one side and at the same time ensuring smooth functioning of the domestic financial system.

## Management Soundness

**6.38** Data on the management soundness and liquidity position from SBP has not been received at finalization of the report.

## VI. Employment

**6.39** During FY 2010/11, a total of 57.24 million people became part of the labour force having a share of 43.95 million males and 13.29 million females. The previous year's total Labour Force 53.59 million comprised of 42.25 million males and 11.34 million females during FY 2009/10. During FY2008/09 total labour force was 52.59 million, with 41.53 million males and 11.06 million females.

**6.40** Out of the total labour force, 73 percent were males and 21.15 percent were females during FY 2010/11. In FY 2009/10, 94.80 percent of total labour force was employed with a share of 75.4 percent males and 19.4 percent females. Similarly for the duration of FY 2008/09, the proportion of males in employed labour force was 75.45 percent and 1.35 percent of females out of 94.8 percent.

**6.41** In FY 2010/11, percentage of unpaid family workers stood at 18 percent representing 5 and 13 percent contribution by males and females respectively. On the contrary, this percentage of unpaid family workers remained to be quite high about 29 percent during FY 2009/10 and FY 2008/09 (see Table 6.18).

**Table 6.18: Labour Force, Employed Labour Force and Unpaid Family Helpers**

	FY 2008/09			FY 2009/10			FY 2010/11		
	Total	Males	Females	Total	Males	Females	Total	Males	Females
Labour Force (millions)	52.59	41.53	11.0	53.59	42.25	11.34	57.24	43.95	13.27
Employed Labour Force (%)	94.8	75.45	1.35	94.8	75.44	19.36	94.05	72.90	21.15
Percentage of unpaid family workers	28.49	-	-	28.94	-	-	17.83	4.89	12.94

Source: Ministry of Labour and Manpower, HRD Wing



## VII. Governance for a Just and Fair System

**6.42 Number of Cases Pending With Courts:** The position of pending cases as on April 01, 2009 is given in Table 6.19 depicts that a total of 19,055 cases were pending with courts including 12, 578 cases in Islamabad, followed by 3,931 in Lahore, 1,658 in Karachi, 594 in Peshawar and 294 in Quetta.

**Table 6.19: Position of Pending Cases with Courts**

Main Registry at Islamabad	Lahore	Peshawar	Karachi	Quetta	Total
12,578	3,931	594	1,658	294	19,055

**6.43** Institution (INS)/Disposal (DIS) of cases during April 2009 to March 2010 is given in Table 6.20. It shows that a total of 18,744 cases were disposed of against 17,314 cases instituted during the review period. If we compare the monthly data, institution (INS) of cases was highest in July, 2009 while disposal (DIS) of cases was highest in June, 2009.

**6.44** Among the Main registry at Islamabad and Branch registries in four provincial capitals, maximum number of cases was recorded in Islamabad both for INS and DIS (i.e. 7284 and 9583 cases respectively); followed by Punjab (6100 INS and 5193 DIS). Lowest number of cases both for INS and DIS was registered in Quetta with 631 institutional cases and 593 disposal cases.

**Table 6.20: Institution/Disposal of Cases during April, 2009 to March, 2010**

Months	Islamabad		Lahore		Karachi		Peshawar		Quetta		Total	
	INS	DIS	INS	DIS	INS	DIS	INS	DIS	INS	DIS	INS	DIS
April, 2009	754	552	566	517	209	235	212	291	65	182	1806	1777
May, 2009	671	1275	605	797	241	171	125	112	143	122	1785	2477
June, 2009	800	1671	719	889	151	208	163	107	87	57	1920	2932
July, 2009	638	847	805	826	307	202	134	29	49	23	1933	1927
Aug, 2009	678	518	756	385	134	24	138	11	57	9	1763	947
Sep, 2009	388	548	605	395	54	118	61	30	34	43	1142	1134
Oct, 2009	656	862	401	0	71	0	32	0	18	0	1178	862
Nov, 2009	383	632	235	174	55	48	39	0	37	25	749	879
Dec, 2009	415	238	464	581	131	212	74	90	44	44	1128	1165
Jan, 2010	697	1110	291	29	114	11	72	1	32	0	1206	1151
Feb, 2010	580	802	222	62	120	199	99	192	14	0	1035	1255
Mar, 2010	624	528	431	538	102	184	284	900	51	88	1492	2238
Total	7284	9583	6100	5193	1689	1612	1433	1763	631	593	17137	18744

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***Chapter: 7***

***Monitoring the Outcome Indicators***

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*“Overcoming poverty is not a gesture of charity. It is an act of justice”*

— *Nelson Mandela*

**7.1** This section of the report analyzes the performance of outcome (result) indicators regarding Education, Health, Environment/Water Supply and Sanitation, and seats held by women in Senate /Parliament/Provincial assemblies.

## I. Education

### Literacy Rate

**7.2** Literacy rate for population 10 years and older among provinces and also in rural and urban areas between FY 2008/09 and FY 2010/11 is given in table 7.1. Literacy rate increased from 57 percent in FY 2008/09 to 58 percent in FY 2010/11 showing an improvement of 1 percentage point. Literacy remained much higher amongst men than women in Pakistan. Female literacy rate increased by 1 percentage point and stood at 46 percent during FY 2010/11 as compared to FY 2008/09. Literacy rate for male remained stagnant i.e. 69 percent during FY 2010/11 as compared to FY 2008/09.

**7.3** Punjab had the highest literacy rate i.e. 60 percent, followed by 59 percent in Sindh, 50 percent in KP and 45 percent in Balochistan. Punjab is the only province that showed an improvement of 1 percentage point in literacy between FY 2008/09 and FY 2010/11. This was mainly due to an increase of 1 percentage point each in female and male literacy rate. Balochistan recorded an overall decrease of 4 percentage points in literacy rate. This was mainly due to a decrease of 2 percentage points in male literacy rate and 4 percentage points in female literacy rate. Urban literacy rate (74 percent) was much higher than the rate in rural areas (49 percent). In urban areas, Punjab had the highest literacy rate i.e. 76 percent whereas Punjab reported 53 percent of the population as literate in rural areas. The male literacy rate was much higher in both urban and rural areas as compared to female literacy rate. In percentage terms 81 percent males and 67 percent females were literate in urban areas as compared to literacy rate of 63 and 35 percent, respectively in rural areas.

**Table 7.1: Literacy- Population 10 Years and Older - By Region and Province**

Region / Province	2008/09 PSLM			2010/11 PSLM		
	Male	Female	Male	Male	Female	Total
<b>Urban Areas</b>	<b>81</b>	<b>67</b>	<b>74</b>	<b>81</b>	<b>67</b>	<b>74</b>
Punjab	82	71	76	80	71	76
Sindh	81	65	73	82	68	75
KP	76	48	62	77	50	63
Balochistan	78	47	64	79	40	61

Continue...

**Table 7.1: Literacy- Population 10 Years and Older - By Region and Province**

Region / Province	2008/09 PSLM			2010/11 PSLM		
	Male	Female	Male	Male	Female	Total
<b>Rural Areas</b>	<b>63</b>	<b>33</b>	<b>48</b>	<b>63</b>	<b>35</b>	<b>49</b>
Punjab	61	22	43	64	42	53
Sindh	67	27	47	60	22	42
KP	67	27	47	67	29	48
Balochistan	57	16	38	54	13	35
Overall	<b>69</b>	<b>45</b>	<b>57</b>	<b>69</b>	<b>46</b>	<b>58</b>
Punjab	69	50	59	70	51	60
Sindh	71	45	59	71	46	59
KP	69	31	50	68	33	50
Balochistan	62	23	45	60	19	41

Source: PSLM 2008/09, PSLM, 2010/11

### Gross Enrolment Rate (GER) at Primary Level

**7.4** Table 7.2 presents Gross Enrolment Rate (GER) at primary level aged 5-9 years among region and provinces excluding katchi classes. The GER refers to the number of children attending primary school divided by the number of children with the specific age group who ought to be attending. Overall GER at primary level (age 5-9) increased by 1 percentage point from 91 in FY 2008/09 to 92 in FY 2010/11. GER, for boys increased by 1 percentage point to 100 percent during FY 2010/11 relative to 99 percent in FY 2008/09. GER for girls stood at 83 percent during both FYs 2008/09, 2010/11 showing no change. Among provinces, GER increased by 1 percentage point to 98 percent and 2 percentage points to 89 percent in Punjab and KP respectively during FY 2010/11 whereas Sindh witnessed no improvement of literacy between FY 2008/09 and FY 2010/11. GER decreased by 1 percentage point to 74 percent in Balochistan during FY 2010/11.

**7.5** In urban areas, total GER remained stagnant at 106 percent in FY 2010/11 as compared to FY 2008/09. However, in rural areas GER increased by 1 percentage point to 86 percent in FY 2010/11 relative to 85 percent in FY 2008/09. The highest GER, both in urban (109 percent) and rural (94 percent) areas was observed in Punjab and the lowest in KP (100 percent) in urban areas and in Balochistan (66 percent) in rural areas. GER both in urban and rural areas was (100 percent and 87 percent) and (102 percent and 66 percent) respectively in KP and Balochistan.

**Table 7.2: GER at Primary Level (age 5-9) - By Region and Province (Excluding Katchi Class)**

Region / Province	2008/09 PSLM			2010/11 PSLM		
	Male	Female	Total	Male	Female	Total
Urban Areas	108	104	106	109	103	106
Punjab	110	110	110	111	108	109
Sindh	107	99	103	107	99	103
KP	101	92	97	105	96	100
Balochistan	109	91	100	117	84	102

Continue...

**Table 7.2: GER at Primary Level (age 5-9) - By Region and Province (Excluding Katchi Class)**

Region / Province	2008/09 PSLM			2010/11 PSLM		
	Male	Female	Total	Male	Female	Total
Rural Areas	95	74	85	96	75	86
Punjab	99	86	93	100	88	94
Sindh	83	57	72	87	55	72
KP	102	67	85	100	73	87
Balochistan	89	45	68	85	43	66
Overall	99	83	91	100	83	92
Punjab	102	92	97	103	93	98
Sindh	93	75	84	94	72	84
KP	102	70	87	101	76	89
Balochistan	93	54	75	92	52	74

Source: PSLM 2008/09 PSLM, FY 2010/11

## Gross Enrolment Rate (GER) at Middle Level

**7.6** GER at middle level aged 10-12 years by region and provinces is presented in Table 7.3. The GER at the middle level for Pakistan as a whole was 54 percent in FY 2010/11, 1 percentage more than in FY 2008/09. The GER increased by 1 and 3 percentage points in Punjab and KP respectively whereas Sindh and Balochistan witnessed a decline of 1 percentage point each. The GER for males was higher than females, increased by 2 percentage points for females and remained same for males in the comparison period. The GER was the highest in Punjab for females i.e. 55 percent and in KP for males i.e. 71 percent. For males, GER improved by 3 percentage points in KP and decreased by 2 and 1 percentage points in Sindh and Balochistan while it is same in Punjab over the period. Females GER registered an increase of 2, 1, and 3 percentage points in Punjab, Sindh and KP and registered a decrease of 3 percentage points in Balochistan.

**7.7** The GER in urban areas remained same to 71 percent in both FYs 2008/09 and 2010/11 while it is increased by 1 percentage point in rural areas during the period. In urban areas, GER for males and females was 70 and 73 percent respectively in contrast to rural areas where rate was 55 percent for males against 37 percent for females. Gross Enrollment Rate both for males and females was higher in urban areas (70 and 73 percent) than in rural areas (55 and 37 percent), respectively.

**Table 7.3: GER at the Middle Level (age 10-12) - By Region and Province**

Region / Province	2008/09 PSLM			2010/11 PSLM		
	Male	Female	Total	Male	Female	Total
Urban Areas	71	71	71	70	73	71
Punjab	73	76	74	70	77	73
Sindh	68	68	68	67	72	69
KP	81	61	71	86	59	73
Balochistan	66	53	60	62	56	60

Continue....

**Table 7.3: GER at the Middle Level (age 10-12) - By Region and Province**

Region / Province	2008/09 PSLM			2010/11 PSLM		
	Male	Female	Total	Male	Female	Total
Rural Areas	55	35	46	55	37	47
Punjab	56	43	55	57	46	52
Sindh	45	19	34	43	18	32
KP	66	33	51	68	37	54
Balochistan	41	13	29	40	9	27
Overall	59	46	53	59	48	54
Punjab	61	53	57	61	55	58
Sindh	54	41	49	52	42	48
KP	68	38	54	71	41	57
Balochistan	46	23	36	45	20	35

Source: PSLM 2008/09, PSLM, 2010/11

## GER at Matric Level

**7.8** Table 7.4 illustrates GER at matric level aged 13-14 years by region and province. The GER at matric level rose by 3 percentage points to 57 percent in FY 2010/11 as compared to 54 percent in FY 2008/09. The GER in Punjab stood at 61 percent followed by 55 percent in Sindh, 54 percent in KP and 38 percent in Balochistan registering an increase of 4 percentage points each in Punjab and Balochistan and significant 5 percentage points in Sindh and 3 percentage points registered in KP. Both males and females GER increased by 3 and 5 percentage points from 62 to 65 percent and from 44 to 49 percent, respectively over the period. At matric level, Punjab had the highest GER i.e. 65 percent for males and 56 percent for females.

**7.9** The GER in urban areas increased significantly by 7 percentage points to 79 percent but still much higher than the rural areas whereas it increased by 3 percentage points to 47 percent in FY 2010/11 in relation to FY 2008/09. GER both for males and females i.e. 80 and 77 percent, respectively in urban areas was higher than rural areas indicating enrollment of 57 percent for males and 35 percent for females. For males, Sindh had the highest GER in urban areas (84 percent) and in rural areas KP (69 percent) whereas for females Punjab had the highest rate each in urban (82 percent) and rural areas (44 percent).

**Table 7.4: GER at the Matric Level (age 13-14) - By Region and Province**

Region / Province	2008/09 PSLM			201/11 PSLM		
	Male	Female	Total	Male	Female	Total
Urban Areas	76	69	72	80	77	79
Punjab	77	74	76	80	82	81
Sindh	73	64	69	84	75	79
KP	78	62	71	76	58	67
Balochistan	78	46	63	72	52	64

Continue...

**Table 7.4: GER at the Matric Level (age 13-14) - By Region and Province**

Region / Province	2008/09 PSLM			201/11 PSLM		
	Male	Female	Total	Male	Female	Total
Rural Areas	55	32	44	57	35	47
Punjab	59	39	49	59	44	52
Sindh	43	16	31	46	15	32
KP	64	27	47	69	32	51
Balochistan	33	11	24	46	6	29
Overall	62	44	54	65	49	57
Punjab	64	50	57	65	56	61
Sindh	57	42	50	63	45	55
KP	67	33	51	70	36	54
Balochistan	44	20	34	52	17	38

Source: PSLM 2008/09, PSLM, FY 2010/11

**Net Enrolment Rate (NER) at Primary Level:**

**7.10** Net Enrolment Rate (NER) refers to the number of students enrolled in a primary school of required primary school age divided by the number of children in the age group for that level of education. NER at primary level of Pakistan as a whole stood at 56 percent during FY 2010/11, 1 percentage point lower than the last year i.e. 57 percent (see Table 7.5). Punjab had the highest NER i.e. 61 percent followed by 53 percent in Sindh, 51 percent in KP and 47 percent in Balochistan. NER for boys decreased by 1 percentage point from 61 percent in FY 2008/09 to 60 percent during FY 2010/11 and for girls by 1 percentage point to 54 percent during FY 2010/11 as compared to the previous year.

**7.11** Among provinces, NER for boys decreased by 2 percentage points in Punjab and 1 percentage point in KP, increased by 5 percentage points in Balochistan and remained same in Sindh between FY 2008/09 and FY 2010/11 while girls net enrolment decreased by 1 percentage point each in Punjab, Sindh, and Balochistan and it remained unchanged in KP. NER in urban and rural areas decreased by 2 percentage points from 68 to 66 percent and it remained same from 53 to 53 percent respectively in FY 2010/11 in comparison with FY 2008/09. Punjab had the highest NER in urban areas (69 percent), having decreased by 3 percentage points during FY 2010/11 and in rural areas remained same (58 percent) during FY 2010/11 compared to FY 2008/09. NER for boys was higher i.e. 67 percent in urban areas and 57 percent in rural areas.

**Table 7.5: NER at Primary Level (age 5-9) - By Region and Province (Excluding Katchi Class)**

Region / Province	FY 2008/09 PSLM			FY 2010/11 PSLM		
	Male	Female	Total	Male	Female	Total
Urban Areas	<b>68</b>	<b>67</b>	<b>68</b>	<b>67</b>	<b>65</b>	<b>66</b>
<b>Punjab</b>	72	72	72	69	69	69
<b>Sindh</b>	64	62	63	63	62	63
<b>KP</b>	65	56	61	63	58	61
<b>Balochistan</b>	61	56	59	69	58	64

Continue....

**Table 7.5: NER at Primary Level (age 5-9) - By Region and Province (Excluding Katchi Class)**

Region / Province	FY 2008/09 PSLM			FY 2010/11 PSLM		
	Male	Female	Total	Male	Female	Total
Rural Areas	<b>58</b>	<b>48</b>	<b>53</b>	<b>57</b>	<b>48</b>	<b>53</b>
<b>Punjab</b>	61	55	58	60	55	58
<b>Sindh</b>	53	40	47	54	39	47
<b>KP</b>	57	43	50	56	43	50
<b>Balochistan</b>	49	31	40	53	29	42
Overall	<b>61</b>	<b>54</b>	<b>57</b>	<b>60</b>	<b>53</b>	<b>56</b>
<b>Punjab</b>	64	60	62	62	59	61
<b>Sindh</b>	57	49	54	57	48	53
<b>KP</b>	58	45	52	57	45	51
<b>Balochistan</b>	51	36	44	56	35	47

Source: PSLM 2008/09 PSLM, 2010/11

### Net Enrolment Rate (NER) at Middle Level

**7.12** During FY 2010/11, total NER at middle level aged 10-12 years remained same in both periods i.e. 20 percent (see Table 7.6). Among provinces, the rate increased by 1, 1, and 2 percentage points in Punjab, Sindh and Balochistan provinces respectively while remained same for KP. Males NER was 22 percent, 1 percentage point higher than last year rate, similarly for females NER showed an improvement of 1 percentage point to 19 percent. Punjab had the highest males NER i.e. 23 percent and females NER 22 percent.

**7.13** In urban areas, there was an increase (2 percentage point from 27 percent to 29 percent) and in rural areas there was an increase of (1 percentage point from 16 to 17) in NER. Females NER was 31 percent in urban areas higher than male (27 percent) and in case of rural areas rate was higher for males (19 percent) and lower for females (14 percent). In urban areas, Punjab had the highest rate for females (34 percent) and males (29 percent) while in rural areas; males (21 percent) and for females (17 percent).

**Table 7.6: NER at the Middle Level (age 10-12) - By Region and Province**

Region / Province	2008/09 PSLM			2010/11 PSLM		
	Male	Female	Total	Male	Female	Total
Urban Areas	27	28	27	27	31	29
Punjab	29	33	31	29	34	31
Sindh	24	24	24	26	30	18
KP	27	24	25	27	21	24
Balochistan	22	18	20	21	19	21
Rural Areas	19	13	16	19	14	17
Punjab	20	17	18	21	17	19
Sindh	19	8	14	18	8	13
KP	19	11	16	19	12	16

Continue...



**Table 7.6: NER at the Middle Level (age 10-12) - By Region and Province**

Region / Province	2008/09 PSLM			2010/11 PSLM		
	Male	Female	Total	Male	Female	Total
Balochistan	12	4	9	16	3	11
Overall	21	18	20	22	19	20
Punjab	23	21	22	23	22	23
Sindh	21	15	18	21	17	19
KP	20	13	17	20	13	17
Balochistan	14	8	11	17	7	13

Source: PSLM 2008/09, PSLM, FY 2010/11

### Net Enrolment Rate (NER) at Matric Level

**7.14** NER at Matric level aged 13-14 years remained same to 12 percent points during FY 2010/11 and FY 2008/09 (see Table 7.7). Punjab had the highest NER at 14 percent followed by Sindh 11 percent, KP 7 percent and Balochistan 6 percent. Females NER increased by 1 percentage point from 11 to 12 percent and remained same for males from 12 to 12 percent during the comparison period.

**7.15** In urban and rural areas, NER registered no change in FY 2010/11 as compared with last FY 2008/09. Females NER was higher in urban areas i.e. 20 percent as compared to males NER which was higher in rural areas (10 percent). Punjab had the highest NER both for males and females in urban as well as rural areas.

**Table 7.7: NER at the Matric Level (age 13-14) - By Region and Province**

Region / Province	2008/09 PSLM			2010/11 PSLM		
	Male	Female	Total	Male	Female	Total
Urban Areas	17	18	18	16	20	18
Punjab	18	22	20	17	25	21
Sindh	17	14	16	17	16	16
KP	13	11	12	9	12	10
Balochistan	10	9	9	13	8	11
Rural Areas	10	7	9	10	8	9
Punjab	12	9	10	11	11	11
Sindh	9	4	7	8	3	6
KP	9	4	7	7	5	6
Balochistan	4	2	3	7	1	4
Overall	12	11	12	12	12	12
Punjab	14	13	13	13	16	14
Sindh	13	10	11	12	10	11
KP	9	5	8	8	6	7
Balochistan	5	3	5	8	3	6

Source: PSLM 2008/09, PSLM, FY 2010/11

### Drop-out Rates Aged 15-19 Years – by Gender and Class

**7.16** Table 7.8 illustrates dropout rate percentages for classes 1 to 6 by gender and class. The data on dropout rates has not been covered in PSLM 2008/09 as the survey was based on the districts.

**Table 7.8: Drop-out Rates 15-9 years (percent)**

	2007/08 PSLM			2010/11 PSLM		
	Male	Female	Total	Male	Female	Total
Class 1Class 1	0.3	0.3	0.3	N/A	N/A	N/A
Class 2Class 2	0.8	1	0.9	N/A	N/A	N/A
Class 3Class 3	2.4	3	2.7	N/A	N/A	N/A
Class 4Class 4	5	5.8	5.4	N/A	N/A	N/A
Class 5Class 5	8.8	8.8	8.8	N/A	N/A	N/A
Class 6Class 6	19.8	24.9	22.1	N/A	N/A	N/A

N/A: Not Available

Source: PSLM 2007/08

**Note:** After FY 2007/08, data on provinces level has not been collected in the PSLMs conducted by the FBS, hence data for FY 2010/11 for the subject is not available.

## II. Health

**7.17** The PSLM survey for FY 2008/09 and FY 2010/11 provide useful information about children under 5 suffering from diarrhea, Total Fertility Rate (TFR), Infant Mortality Rate (IMR), Contraceptive Prevalence Rate (CPR), pre-natal consultations, and drinking water supply and sanitation. Some of these outcome level indicators are discussed below.

### Children under five (5) suffering from diarrhea in past 30 days - by Region and Province

**7.18** Table 7.9 illustrates overall percentage of children who have suffered from diarrhea in the 30 days increased by 1 percentage point from 10 percent in FY 2008/09 to 11 percent in FY 2010/11. It increased by 2 percentage points for rural areas from 10 to 12 and remained same in urban areas from 11 to 11 in comparison period FY 2008/09 and FY 2010/11. The diarrhea cases increased in Punjab and Balochistan from 10 percent in FY 2008/09 to 11 percent in FY 2010/11 and from 5 to 13 percent respectively in the period under comparison. However, Sindh and KP remained the same at 12 percent and 10 percent respectively during the comparison period.

**Table 7.9: Children under five (5) suffering from diarrhea in past 30 days - by region and Province**

Region / Province	FY 2008/09 PSLM			FY 2010/11 PSLM		
	Male	Female	Total	Male	Female	Total
Urban Areas	12	11	11	11	11	11
Punjab	11	10	11	11	10	10
Sindh	14	15	14	12	12	12
KP	7	7	7	7	7	7
Balochistan	7	6	7	17	14	15
Rural Areas	11	10	10	12	11	12
Punjab	11	9	10	12	11	11
Sindh	11	12	11	12	14	13
KP	11	10	11	11	10	11
Balochistan	6	6	6	12	13	13

Continue...

**Table 7.9: Children under five (5) suffering from diarrhea in past 30 days - by region and Province**

Region / Province	FY 2008/09 PSLM			FY 2010/11 PSLM		
	Male	Female	Total	Male	Female	Total
Overall	11	10	10	12	11	11
Punjab	11	9	10	11	11	11
Sindh	12	13	12	12	13	12
KP	10	10	10	11	10	10
Balochistan	7	6	5	14	13	13

Note: 12-23 months

Source: PSLM 2008/09, PSLM, 2010/11

: Immunizations: To be classified as fully immunized a child must have received: BCG, DPT 1, DPT2, DPT3, Polio 1, Polio 2, Polio 3 and Measles

## Total Fertility Rate (TFR)

**7.19** TFR is a common measure of current fertility and is defined as the average number of children a woman would have if she went through her entire productive period i.e. 15-49 years. After FY 2007/08, data on provinces level has not been collected in the PSLMs conducted by the FBS, hence data for FY 2010/11 for the subject is not available.

**Table 7.10: Total Fertility Rate (TFR)**

	FY 2007/08 PSLM			FY 2010/11 PSLM		
	Urban	Rural	Total	Urban	Rural	Total
Total Fertility Rate	3.1	4.4	3.9	-	-	-

Source: PSLM 2007/08

## Infant Mortality Rate (IMR)

**7.20** The data on IMR has not been covered in PSLM 2008/09 as the survey was based on the districts.

**Table 7.11: Infant Mortality Rate - by Sex and Region (Deaths per thousand live births)**

Region / Province	FY 2007/08 PSLM			FY 2010/11 PSLM		
	Male	Female	Total	Male	Female	Total
Urban Areas	43	46	45	-	-	-
Rural Areas	87	72	79	-	-	-
Overall	75	65	69	-	-	-

Source: PSLM 2007/08

Note: After FY 2007/08, data on provinces level has not been collected in the PSLMs conducted by the FBS, hence data for FY 2010/11 for the subject is not available.

## Contraceptive Prevalence Rate (CPR)

**7.21** The data on CPR has not been covered in PSLM 2010/11 as the survey was based on the districts.

**Table 7.12: Contraceptive Prevalence Rate (Women Aged 15-49 Years)**

Region / Province	2007/08 PSLM			2010/11 PSLM		
	Urban	Rural	Total	Urban	Rural	Total
Overall	35	23	27	-	-	-
Punjab	39	29	32	-	-	-
Sindh	33	10	21	-	-	-
NWFP	31	22	23	-	-	-
Balochistan	11	4	6	-	-	-

Source: PSLM 2007/08

Note: After FY 2007/08, data on provinces level has not been collected in the PSLMs conducted by the FBS, hence data for FY 2010/11 for the subject is not available.

## Pre Natal Consultations – by Province

**7.22** Quality pre-natal care contributes to the prevention of maternal mortality by detecting and managing potential complications and risk factors, including pre-eclampsia, anemia, and sexually transmitted diseases. Pre-natal care also provides opportunities for women to learn about precautions related to pregnancy and delivery and also infant care, to be immunized against tetanus and be treated for existing conditions, such as malaria and anemia. Table 7.13 shows that 62 percent of mothers in FY 2010/11 compared to 58 percent in FY 2008/09 who had given birth in the last three years went for pre-natal consultations during their last pregnancy. The overall attendance rate was much higher in urban areas i.e. 78 percent compared to 55 percent in rural areas. Pre-natal attendance rates have increased particularly in rural areas from 50 percent in FY 2008/09 to 55 percent in FY 2010/11 whereas nominal change of 1 percentage point has been noticed in urban areas. In urban areas, Sindh had the highest attendance i.e. 85 percent in urban areas, whereas Balochistan had the lowest i.e. 54 percent. Punjab had the highest attendance i.e. 60 percent and Balochistan had the lowest i.e. 39 percent in rural areas.

**Table 7.13: Pre Natal Consultations by Province**

Region / Province	FY 2008/09 PSLM			FY 2010/11 PSLM		
	Urban	Rural	Total	Urban	Rural	Total
Overall	77	50	58	78	55	62
Punjab	75	55	61	77	60	60
Sindh	84	43	60	85	48	64
KP	67	46	49	69	49	52
Balochistan	57	30	36	54	39	43

Source: PSLM 2008/09, PSLM, FY 2010/11

## III. Environment/Water Supply and Sanitation

### Main Sources of Drinking Water

**7.23** The main source of drinking water in Pakistan is tap water<sup>1</sup>, as 32 percent of the total population used this source of drinking water during FY 2010/11 than 35 percent in FY 2008/09 (see Table 7.14 and

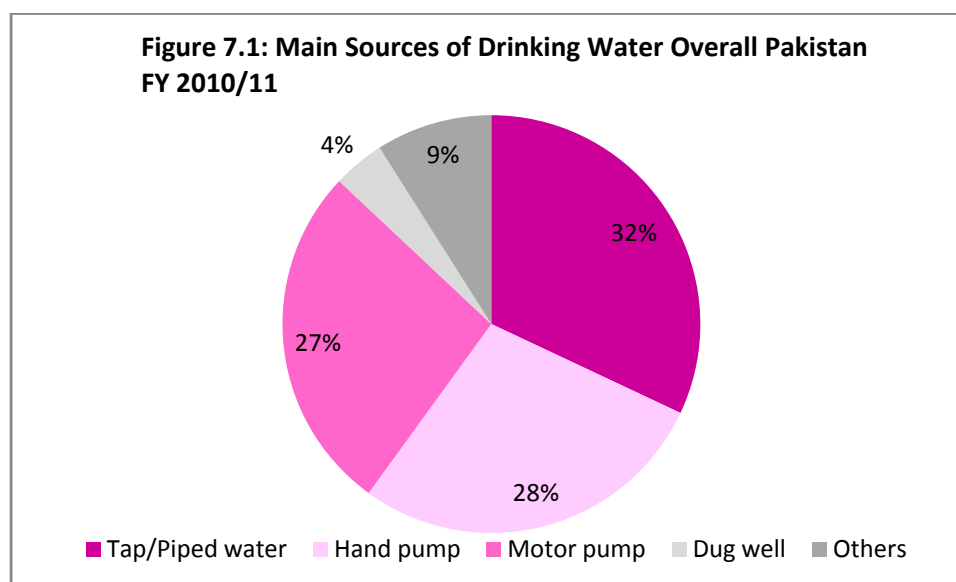
<sup>1</sup> In PSLM survey, interviewers were told to record the ultimate source of drinking water. For example, water piped directly from a stream and delivered through a tap, without passing through a settlement tank, would have 'stream' as its source, not 'tap in house'.

Fig 7.1). Hand and motor pumps together provided 55 percent of the household with drinking water in FY 2010/11 as compared to 54 percent in FY 2008/09. However, compared to the previous year's PSLM survey, the usage of motor pump has increased both in urban and rural areas. Moreover, the percentage of households depending on dug well as a water source remained same at 4 percent whereas other sources increased from 8 percent in FY 2008/09 to 9 percent in FY 2010/11.

**Table 7.14: Main Sources of Drinking Water in Pakistan (Percentages)**

	FY 2008/09 PSLM			FY 2010/11 PSLM		
	Urban	Rural	Total	Urban	Rural	Total
Tap/Piped water	62	21	35	58	19	32
Hand pump	8	41	30	8	38	28
Motor pump	25	24	24	28	27	27
Dug well	1	6	4	1	6	4
Others	4	9	8	6	10	9
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: PSLM 2008/09, PSLM, 2010/11



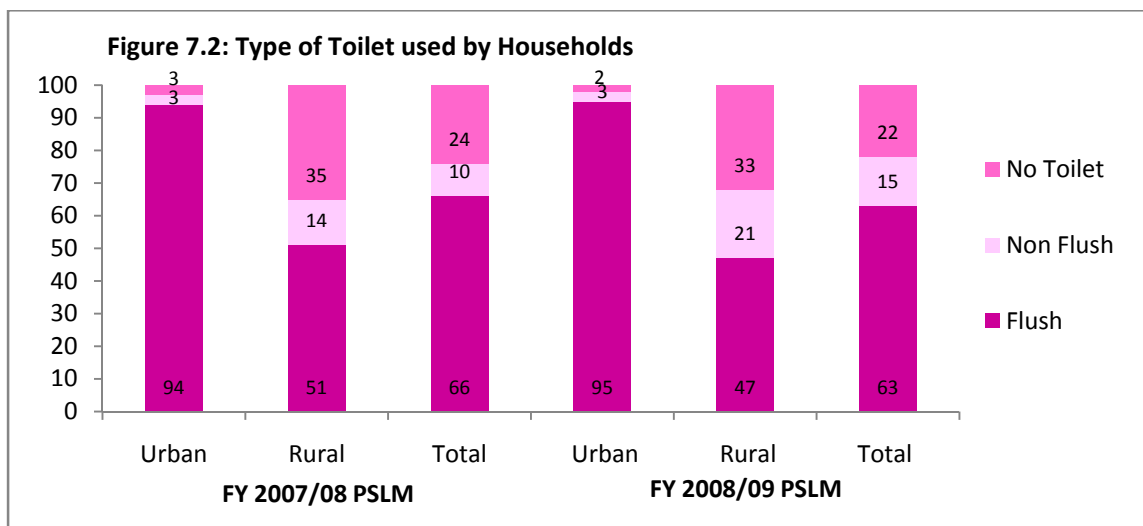
## Type of Toilet used by Household

**7.24** Overall, 18 percent households in FY 2010/11 compared to 22 percent in FY 2008/09 do not have access to any toilet facility in Pakistan (see Table 7.15 and Fig 7.2). This varies largely between urban and rural areas i.e. 2 percent of urban households had no toilet compared to 27 percent of rural households. The percentage of flush and non-flush use has also changed over the comparison period, as the use of flush increased from 63 percent in FY 2008/09 to 66 percent in FY 2010/11 and the use of non-flush remained the same from 15 to 15 percent in the period under comparison.

**Table 7.15: Type of Toilet Used by Households**

	FY 2008/09 PSLM			FY 2010/11 PSLM		
	Urban	Rural	Total	Urban	Rural	Total
Flush	95	47	63	96	51	66
Non-flush	3	21	15	3	22	15
No toilet	2	33	22	2	27	18

Source: PSLM 2008/09, PSLM, FY 2010/11



## Seats Held by Women in Senate/Parliament/Provincial Assembly

**7.25** Table 7.16 and Graph 3 illustrate women seats reserved at Senate, National Assembly and Provincial Assemblies. Against the total Senate seats of 100, 17 (percent) seats are reserved for women. Each province has standard 22 seats in Senate whereas FATA has 8 seats and Islamabad has 4 seats. Against the total National Assembly seats of 272, 60 seats i.e. 22% seats are reserved for women. If we include 16 National Assembly women directly elected on general seats, the total seats for women become 76 i.e. 28 percent. Against the total provincial assembly seats of 577, 128 seats i.e. 22 percent seats are reserved for the women. If we include 10 provincial assembly women directly elected on general seats, the total seats for women become 138 i.e. 24 percent.

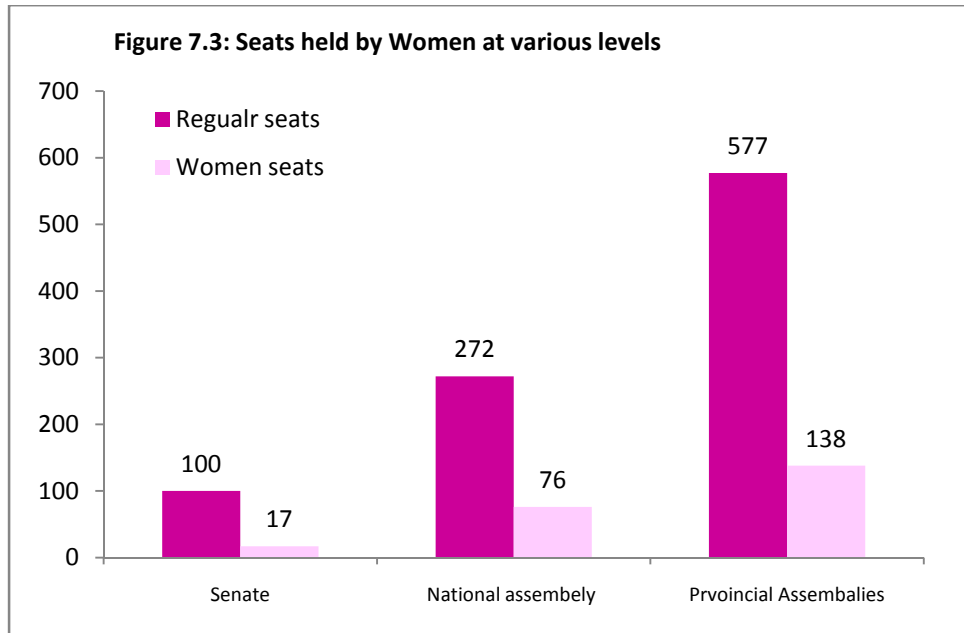
**Table 7.16: Senate/National Assembly/Provincial Assemblies**

Area/Province	Federation				Provinces	
	Senate		National Assembly*		Provincial Assemblies**	
	Regular	Women	Regular	Women	Regular	Women
Punjab	22	4	148	35	297	66
Sindh	22	4	61	14	130	29
NWFP	22	4	35	8	99	22
Baluchistan	22	4	14	3	51	11
FATA	8	-	12	-	-	-
Islamabad	4	1	2	-	-	-
<b>Total</b>	<b>100</b>	<b>17</b>	<b>272</b>	<b>60</b>	<b>577</b>	<b>128</b>

Source: Election Commission of Pakistan

Note\*: 16 women were elected from general seats in National Assembly 16 +60 = 76

Note\*\*: 10 women were elected from general seats in Provincial Assemblies 128+10=138



### Seats Held by Women in District/Tehsil/Town/Union Councils

The local bodies earlier elected have been dissolved in Year 2009; hence, data/information about local bodies' strength is not given. Data for FY 2010/11 is not available to report here.

## **Chapter: 8**

### ***Feedback from Household***

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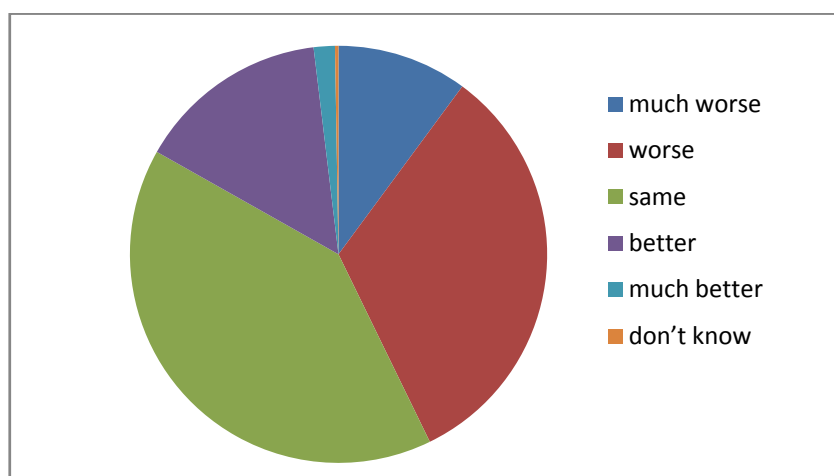
**8.1** In order to realize the commitments made under PRSP, the government has initiated numerous schemes that aim at bringing the poor out of social and economic exclusion. For this purpose several distinct projects have been initiated in addition to considerable investment in providing different types of facilities/services to the masses. Henceforth, it is also necessary for the government to get feedback of how people perceive their wellbeing against the different policies adopted by the government. Effective implementation requires that the perspective of clients must be taken into consideration for further enhancement and continuation of projects.

**8.2** This section provides an overview of the response of people when inquired about the economic situation and the provision of amenities. Accordingly the respondents were asked to give their perception in their economic as well as community improvement and how effectively services/facilities were available to them. These responses have been reported in Pakistan Social and Living Standards Measurement (PSLM) Survey (2010-11). This synopsis will provide the essential information to the government about the priority sectors to properly address the multifaceted problems and the areas of concern associated with these sectors.

## I. Perception of Economic Situation

**8.3** Primarily, the households were asked to compare the general economic situation with last year. Below is the visual depiction of their response to this question in Pakistan on the whole.

**Figure 8.1: Perception of the economic situation of the household compared to the year before the survey.**

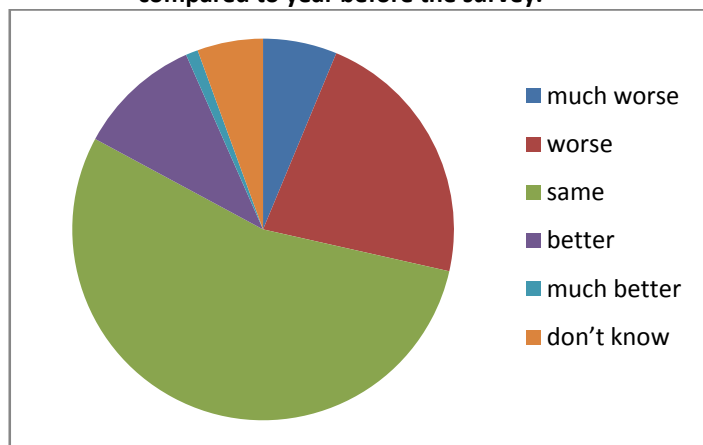


Source: PSLM Survey, 2010-11.

**8.4** In FY 2010/11, 40% reported no change (44 percent in 2008-09), 43 percent reported worse or much worse (33 in 2008-09) and 16 percent reported better or much better (22 percent in 2008-09). Muzaffar Garh with 67 percent in Punjab, Dadu with 66 percent in Sindh, Kohistan with 72 percent in Khyber Pakhtunkhwa and Musa Khel with 91 percent in Balochistan are top ranked districts where the economic situations are worse or much worse according to perception of household as compared to other districts.

**8.5** However, when asked to compare the economic situation of the community where they live (Figure 7.2), 54 percent in 2010-11 the same (as same as reported in 2008-09), 29 percent reported worse or much worse (19 percent in 2008-09) and 12 percent reported better or much better (21 percent in 2008-09).

**Figure 8.2: Perception of the situation of the community as compared to year before the survey.**

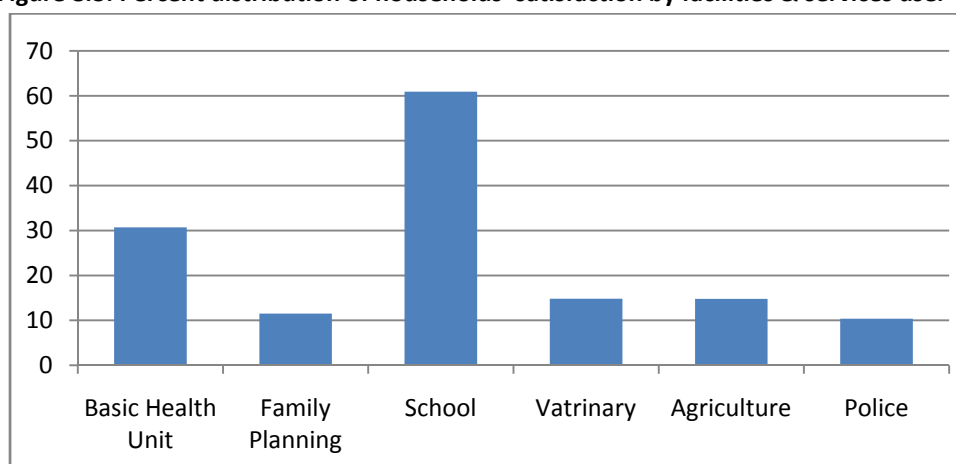


Source: PSLM Survey, 2010-11.

## II. Satisfaction by Facilities and Service Use

**8.6** Besides the general condition, the households were also asked to give their opinion about their satisfaction from facilities and services provided by the government. The figure below illustrates that comparatively people are well satisfied by the level of education being provided to them, followed by the health facilities in basis health units. It has been found that public is not content by the security and law & order situation being maintained by the Police. Situation in agriculture extension is also not very satisfactory.

**Figure 8.3: Percent distribution of households' satisfaction by facilities & services use.**



Source: PSLM Survey, 2010-11.

**8.7** Statistically, in response to this question, 31 percent in 2010-11 reported satisfaction on Govt Basic Health Facilities (40 percent in 2008-09), 12 percent satisfied with the Family Planning Services (15 percent in 2008-09), 61 percent with Schools (63 percent in 2008-09), 15 percent with Veterinary Services pre-dominantly rural (15 percent in 2008-09), 15 percent with Agriculture Extension all rural (15 percent in 2008-09) and 10 percent with police (10 percent in 2008-09). Bhakhar in Punjab with 11 percent, Hyderabad and Karachi in Sindh with 16 percent, Kohistan in Khyber Pakhtunkhwa with 7 percent and Lasbilla in Balochistan with 10 percent have lowest satisfaction in respect of Basic Health Facilities. Chiniot with 45 percent, Thatta with 34 percent, Kohistan with 20 percent and Dera Bugti with 20 percent are reported to have the lowest satisfaction for Schooling Facilities. Only 8 percent households in rural Bhakhar, 0 percent in Karachi, 2 percent in Swat and 1 percent in Qilla Saifullah are satisfied with Veterinary Services, while no household reported satisfaction with Veterinary Services in Nushki. More or less the same pattern is observed for Agriculture Extension. The highest percentage (90 percentages) of households in Pakistan is dissatisfied with Police Services.

## ***Chapter: 9***

### ***Conclusion***

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**9.1** The PRSP-II Progress report gives a detailed analysis of a three years period from FY 2008/09 to FY 2010/11. It is the third annual progress report since the PRSP-II was finalized in FY 2008/09. The PRSP-II can be termed a successful strategy, as significant progress was exhibited by all pro-poor sectors during the last nine years. Efforts to track pro-poor budgetary and non-budgetary expenditures, originally initiated during the interim PRSP and later on revised during the PRSP-II, have been reported since FY 2001. The overall expenditures on pro-poor sectors have depicted a consistently positive trend. The monitoring indicators including both output and outcome have also registered steady progress.

**9.2** Pakistan's economy experienced a lower GDP growth of 2.4 percent in FY2010/11 as compared to a modest growth of 3.8 percent in FY2009/10. The impact of catastrophic floods was obvious as the agricultural sector suffered acutely, with the growth rate declining to 1.2 percent in FY 2010/11 alone, a negligible increase of 0.6 percent as compared to FY 2009/10. The services sector improved and has emerged as one of the driving forces for economic growth. It registered a substantial growth of 4.1 percent in FY 2010/11 from 2.9 percent in FY 2009/10. Inflation increased to 13.7 percent in FY 2010/11 as compared to 10.1 percent in FY2009/10. Increased exports and robust growth in remittances led the Current account to register a surplus of US\$ 0.3 billion in FY 2010/11 after remaining in deficit for six consecutive years. On the downside, the fiscal deficit remained a growing cause of concern and depicted a persistent increase from 5.3 percent in FY 2008/09 to 6.6 percent in FY 2010/11 as percentage of GDP. The share of tax collection increased to 9.2 percent of GDP depicting a slight improvement in performance.

**9.3** The actual pro-poor PRSP expenditure as a percent of GDP stood at 6.9 in FY 2010/11 surpassing the limit of 4.5 percent set by the FRDL Act. The overall PRSP budgetary expenditures in seventeen pro-poor sectors of PRSP-II during FY 2008/09 to FY 2010/11 depicted an increasing trend. A total of Rs.1, 245,541 million was incurred in FY 2010/11, registering a growth of 12.13 percent against Rs.1, 110,762 million in FY 2009/10. Natural calamities & Other Disasters underwent maximum YoY growth in expenditures by 291.42 percent in FY 2010/11 on account of rehabilitation activities against disastrous flood situation in the country. Land Reclamation, Education, Health, Justice Admin and Law & Order sectors provided support to the development sector in contrast to a considerable cut down by the government in development spending.

**9.4** The total disbursement under social security and other welfare related projects in FY 2010/11 was Rs 17,617 million which declined to Rs 20,278 million in FY 2009/10. Under Pakistan Bait-ul-Mal, the total number of beneficiaries declined in the FY 2010/11 as compared to the FY 2009/10 from 1,915,071 to 1,885,035. The number of beneficiaries under Benazir Income Support Programme (BISP) increased in the course of three years period from 1.76 million in FY 2008/09 to 3.081 million in FY 2010/11. Under the BISP, the Poverty Score Card (PSC) data for assessment of the poor people in Pakistan from all districts of Pakistan has been collected. This data will help in the disbursement of targeted subsidies in Pakistan. The aggregate number of loans disbursed under the microcredit schemes observed a decreasing trend in FY 2010/11 from 1,892, 966 to 1,939,050 in FY 2009/10 and 1,966,457 in FY 2008/09.

**9.5** The education sector reflected an overall increase in gross and net enrolments rates at both pre-secondary and secondary levels. Nevertheless there is a pressing need to enhance the budgetary allocations for the social sector in Pakistan. The annual allocations for education and health sectors are alarmingly low in comparison with other countries in South Asia causing serious setbacks in achieving the Millennium Development Goals (MDGs).

**9.6** In conclusion the PRSP-II period (FY2008/09-FY2010/11) exhibited an encouraging performance but a lot still needs to be done. Firstly the schemes and policy options taken under this project must be consistently monitored and enhanced further. Secondly the government must invest in the demographic dividend to benefit from its youth. Thirdly an in depth study of how regional countries are eradicating poverty must be carried out in order to advance the poverty reduction initiatives. Poverty in itself is a global phenomenon and therefore a collective effort both nationally and internationally is required to eliminate it from society. In the words of Nelson Mandela ***“Like slavery and apartheid, poverty is not natural. It is man-made and it can be overcome and eradicated by the actions of human beings.”***

**ANNEX – I**

**Annex 1: PRSP Budgetary Expenditures of FY 2010-11, FY 2009-10 and FY 2008-09 (PROVISIONAL)**

(Rs. Millions)

	FY 2010-11						FY 2009/10						FY 2008-09					
	Federal	Punjab	Sindh	KP	Balochistan	TOTAL	Federal	Punjab	Sindh	KP	Balochistan	TOTAL	Federal	Punjab	Sindh	KP	Balochistan	TOTAL
Roads, Highways, & Bridges	4,965	47,312	18,481	13,145	15,664	99,567	4,739	55,155	21,237	8,899	8,426	98,456	6182	56444	24257	7668	5062	99613
Current	4,907	7,053	2,084	1,252	0	15,296	4,721	5,419	929	1,075	349	12,493	5439	5649	1075	1337	125	13625
Development	58	40,259	16,397	11,893	15,664	84,271	18	49,736	20,308	7,824	8,077	85,963	743	50795	23182	6331	4937	85988
Environment/Water Supply & Sanitation	570	15,298	4,608	2,816	5,214	28,506	288	12,452	6,392	3,146	3,181	25,459	128	11575	5542	2669	2290	22204
Current	486	5,112	921	843	1,961	9,323	270	4,075	719	1,424	932	7,420	126	3379	711	1266	1483	6965
Development	84	10,186	3,687	1,973	3,253	19,183	18	8,377	5,673	1,722	2,249	18,039	2	8196	4831	1403	807	15239
Education	59,821	143,497	72,295	26,906	19,815	322,334	46,440	107,319	52,955	40,885	11,926	259,525	44407	103979	48875	33641	9476	240378
Current	45,020	133,283	64,370	16,080	18,233	276,986	32,897	100,151	44,745	31,185	10,955	219,933	26193	96220	40036	26514	8760	197723
Development	14,801	10,214	7,925	10,826	1,582	45,348	13,543	7,168	8,210	9,700	971	39,592	18214	7759	8839	7127	716	42655
Primary Education	4,210	58,802	25,444	6,220	5,842	100,518	3,354	44,182	19,462	15,234	4,019	86,251	2754	39137	19897	12787	3307	77882
Current	4,202	58,158	22,988	5,136	5,576	96,060	3,325	42,696	17,712	13,517	4,019	81,269	2753	38187	17808	11416	3307	73471
Development	8	644	2,456	1,084	266	4,458	29	1,486	1,750	1,717	0	4,982	1	950	2089	1371	0	4411
Secondary Education	5,920	38,060	18,737	8,871	6,240	77,828	4,412	26,976	13,809	16,315	3,289	64,801	3782	25176	14292	13078	2998	59326
Current	5,905	33,472	17,913	4,298	6,002	67,590	4,336	24,769	13,221	12,365	3,289	57,980	3743	20760	12109	10515	2998	50125
Development	15	4,588	824	4,573	238	10,238	76	2,207	588	3,950	0	6,821	39	4416	2183	2563	0	9201
General Universities, Colleges, & Institutes	33,199	12,360	6,885	5,447	2,474	60,365	25,940	9,548	5,466	3,179	1,054	45,187	28385	8539	5852	2712	913	46401
Current	19,323	10,922	4,846	2,528	1,591	39,210	14,129	8,065	3,278	1,788	1,054	28,314	11797	6957	2968	1566	913	24201
Development	13,876	1,438	2,039	2,919	883	21,155	11,811	1,483	2,188	1,391	0	16,873	16588	1582	2884	1146	0	22200
Professional & Technical Universities, Colleges & Institutes	9,659	1,487	3,448	3,813	682	19,089	6,476	1,978	2,827	3,135	606	15,022	4801	1847	2571	2642	468	12329
Current	9,656	1,270	3,088	2,745	682	17,441	6,462	1,836	2,321	1,980	606	13,205	4795	1747	1919	1697	468	10626
Development	3	217	360	1,068	0	1,648	14	142	506	1,155	0	1,817	6	100	652	945	0	1703
Teacher & Vocational Training	72	6,604	406	0	309	7,391	67	5,026	248	0	229	5,570	70	3042	376	0	186	3674
Current	58	5,044	390	0	309	5,801	48	3,693	223	0	229	4,193	45	3042	212	0	186	3485
Development	14	1,560	16	0	0	1,590	19	1,333	25	0	0	1,377	25	0	164	0	0	189
Others	6,761	26,184	17,375	2,555	4,268	57,143	6,191	19,609	11,143	3,022	2,729	42,694	4615	26238	5887	2422	1604	40766
Current	5,876	24,417	15,145	1,373	4,073	50,884	4,597	19,092	7,990	1,535	1,758	34,972	3060	25527	5020	1320	888	35815
Development	885	1,767	2,230	1,182	195	6,259	1,594	517	3,153	1,487	971	7,722	1555	711	867	1102	716	4951
Health	22,790	42,346	22,937	11,181	6,763	106,017	23,180	37,388	19,468	10,212	4,151	94,399	16810	35089	18121	10392	3302	83714

**ANNEX – I**

**Annex 1: PRSP Budgetary Expenditures of FY 2010-11, FY 2009-10 and FY 2008-09 (PROVISIONAL)**

(Rs. Millions)

	FY 2010-11						FY 2009/10						FY 2008-09					
	Federal	Punjab	Sindh	KP	Balochistan	TOTAL	Federal	Punjab	Sindh	KP	Balochistan	TOTAL	Federal	Punjab	Sindh	KP	Balochistan	TOTAL
Current	8,412	38,531	18,549	7,043	5,824	78,359	7,111	33,946	14,722	6,786	3,533	66,098	5534	29537	12095	7088	3004	57258
Development	14,378	3,815	4,388	4,138	939	27,658	16,069	3,442	4,746	3,426	618	28,301	11276	5552	6026	3304	298	26456
<i>General Hospitals &amp; Clinics</i>	<b>8,101</b>	<b>35,957</b>	<b>17,542</b>	<b>9,791</b>	<b>4,415</b>	<b>75,806</b>	<b>7,518</b>	<b>31,229</b>	<b>15,260</b>	<b>8,827</b>	<b>1,765</b>	<b>64,599</b>	<b>5571</b>	<b>30389</b>	<b>15883</b>	<b>8146</b>	<b>1519</b>	<b>61508</b>
Current	7,508	32,856	13,167	6,032	4,415	63,978	6,243	29,054	10,629	5,886	1,765	53,577	4804	25387	9980	5183	1519	46873
Development	593	3,101	4,375	3,759	0	11,828	1,275	2,175	4,631	2,941	0	11,022	767	5002	5903	2963	0	14635
<i>Mother &amp; Child Health</i>	<b>8</b>	<b>207</b>	<b>0</b>	<b>15</b>	<b>0</b>	<b>230</b>	<b>7</b>	<b>327</b>	<b>3</b>	<b>29</b>	<b>55</b>	<b>421</b>	<b>4</b>	<b>153</b>	<b>0</b>	<b>29</b>	<b>61</b>	<b>247</b>
Current	3	119	0	15	0	137	3	102	1	29	55	190	3	117	0	29	61	210
Development	5	88	0	0	0	93	4	225	2	0	0	231	1	36	0	0	0	37
<i>Health Facilities &amp; Preventive Measures</i>	<b>14,115</b>	<b>435</b>	<b>2,784</b>	<b>472</b>	<b>1,226</b>	<b>19,032</b>	<b>15,078</b>	<b>394</b>	<b>2,133</b>	<b>696</b>	<b>786</b>	<b>19,087</b>	<b>10712</b>	<b>286</b>	<b>842</b>	<b>520</b>	<b>521</b>	<b>12881</b>
Current	517	244	2,784	95	287	3,927	447	220	2,060	220	179	3,126	320	195	842	179	227	1763
Development	13,598	191	0	377	939	15,105	14,631	174	73	476	607	15,961	10392	91	0	341	294	11118
<i>Others</i>	<b>566</b>	<b>5,747</b>	<b>2,611</b>	<b>903</b>	<b>1,122</b>	<b>10,949</b>	<b>577</b>	<b>5,438</b>	<b>2,072</b>	<b>660</b>	<b>1,545</b>	<b>10,292</b>	<b>523</b>	<b>4261</b>	<b>1396</b>	<b>1697</b>	<b>1201</b>	<b>9078</b>
Current	384	5,312	2,598	901	1,122	10,317	418	4,570	2,032	651	1,534	9,205	407	3838	1273	1697	1197	8412
Development	182	435	13	2	0	632	159	868	40	9	11	1,087	116	423	123	0	4	666
Population Planning	<b>831</b>	<b>1,773</b>	<b>1,121</b>	<b>587</b>	<b>549</b>	<b>4,861</b>	<b>3,604</b>	<b>1,602</b>	<b>954</b>	<b>523</b>	<b>365</b>	<b>7,048</b>	<b>2538</b>	<b>1402</b>	<b>715</b>	<b>443</b>	<b>247</b>	<b>5345</b>
Current	144	27	19	12	9	211	201	23	11	10	1	246	185	22	15	9	0	231
Development	687	1,746	1,102	575	540	4,650	3,403	1,579	943	513	364	6,802	2353	1380	700	434	247	5114
Social Security & Welfare*	<b>1,160</b>	<b>1,117</b>	<b>13,882</b>	<b>663</b>	<b>795</b>	<b>17,617</b>	<b>1,129</b>	<b>1,575</b>	<b>16,959</b>	<b>367</b>	<b>248</b>	<b>20,278</b>	<b>915</b>	<b>1629</b>	<b>10812</b>	<b>342</b>	<b>259</b>	<b>13,957</b>
Current	1,045	1,044	602	546	384	3,621	837	1,371	184	255	193	2,840	563	1338	503	225	241	2870
Development	115	73	13,280	117	411	13,996	292	204	16,775	112	55	17,438	352	291	10309	117	18	11087
Natural Calamities & Other Disasters	<b>18,996</b>	<b>11,300</b>	<b>10,242</b>	<b>6,517</b>	<b>2,060</b>	<b>49,115</b>	<b>3,784</b>	<b>2,694</b>	<b>1,627</b>	<b>4,418</b>	<b>25</b>	<b>12,548</b>	<b>4481</b>	<b>3070</b>	<b>166</b>	<b>1073</b>	<b>1293</b>	<b>10083</b>
Current	18,815	9,892	9,890	6,120	1,746	46,463	3,573	1,209	758	4,290	25	9,855	3952	1347	114	1073	1293	7779
Development	181	1,408	352	397	314	2,652	211	1,485	869	128	0	2,693	529	1723	52	0	0	2304
Agriculture**	<b>28,223</b>	<b>31,526</b>	<b>27,570</b>	<b>12,203</b>	<b>15,989</b>	<b>115,511</b>	<b>31,319</b>	<b>32,080</b>	<b>21,183</b>	<b>8,414</b>	<b>11,819</b>	<b>104,815</b>	<b>28427</b>	<b>28482</b>	<b>16376</b>	<b>7042</b>	<b>8585</b>	<b>88912</b>
Current	7,207	24,494	17,803	4,777	9,282	63,563	6,047	20,063	8,390	4,455	7,476	46,431	2573	19508	6163	3713	6274	38231
Development	21,016	7,032	9,767	7,426	6,707	51,948	25,272	12,017	12,793	3,959	4,343	58,384	25854	8974	10213	3329	2311	50681
Land Reclamation	<b>0</b>	<b>291</b>	<b>3,378</b>	<b>0</b>	<b>0</b>	<b>3,669</b>	<b>0</b>	<b>180</b>	<b>1,810</b>	<b>0</b>	<b>0</b>	<b>1,990</b>	<b>0</b>	<b>180</b>	<b>2558</b>	<b>0</b>	<b>0</b>	<b>2738</b>
Current	0	291	3,378	0	0	3,669	0	180	1,810	0	0	1,990	0	180	2558	0	0	2738
Development	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rural Development	<b>605</b>	<b>5,396</b>	<b>245</b>	<b>7,928</b>	<b>4,935</b>	<b>19,109</b>	<b>990</b>	<b>6,491</b>	<b>205</b>	<b>9,664</b>	<b>3,041</b>	<b>20,391</b>	<b>811</b>	<b>5553</b>	<b>163</b>	<b>6147</b>	<b>3688</b>	<b>16362</b>
Current	23	306	245	77	340	991	45	246	182	211	116	800	56	234	163	236	438	1127
Development	582	5,090	0	7,851	4,595	18,118	945	6,245	23	9,453	2,925	19,591	755	5319	0	5911	3250	15235
Law and Order	<b>60,308</b>	<b>51,146</b>	<b>29,996</b>	<b>17,776</b>	<b>10,565</b>	<b>169,791</b>	<b>46,698</b>	<b>47,565</b>	<b>24,148</b>	<b>19,127</b>	<b>6,101</b>	<b>143,639</b>	<b>30415</b>	<b>38175</b>	<b>20682</b>	<b>8904</b>	<b>6482</b>	<b>104658</b>



## ANNEX – I

### Annex 1: PRSP Budgetary Expenditures of FY 2010-11, FY 2009-10 and FY 2008-09 (PROVISIONAL)

(Rs. Millions)

	FY 2010-11						FY 2009/10						FY 2008-09					
	Federal	Punjab	Sindh	KP	Balochistan	TOTAL	Federal	Punjab	Sindh	KP	Balochistan	TOTAL	Federal	Punjab	Sindh	KP	Balochistan	TOTAL
Current	59,622	51,140	29,996	17,751	9,900	168,409	45,996	47,559	24,148	18,079	6,101	141,883	30376	38171	20682	8861	5197	103287
Development	686	6	0	25	665	1,382	702	6	0	1,048	0	1,756	39	4	0	43	1285	1371
Low Cost Housing	0	357	16	0	0	373	0	774	1,054	0	0	1,828	0	580	3	0	0	583
Current	0	126	16	0	0	142	0	99	1,054	0	0	1,153	0	548	3	0	0	551
Development	0	231	0	0	0	231	0	675	0	0	0	675	0	32	0	0	0	32
Justice Admn	2,080	6,258	2,877	1,929	1,079	14,223	1,940	4,586	2,308	1,369	793	10,996	1525	4185	1827	1001	655	9193
Current	1,885	4,805	2,877	1,514	969	12,050	1,460	4,586	2,273	1,038	694	10,051	1283	4179	1814	1001	554	8831
Development	195	1,453	0	415	110	2,173	480	0	35	331	99	945	242	6	13	0	101	362
Subsidies***	217,042	9,671	1,683	2,000	549	230,945	230,431	476	2,519	1,500	0	234,926	212706	1935	697	5229	0	220567
Current	217,042	9,656	1,683	2,000	549	230,930	224,575	476	2,519	1,500	0	229,070	192107	1935	697	5229	0	199968
Development	0	15	0	0	0	15	5,856	0	0	0	0	5,856	20599	0	0	0	0	20599
Food Support Programme~													2263	10157				12420
People's Works Programme-I	5,049					5,049	8,417					8,417	3329					3329
People's Works Programme-II ****	21,300					21,300	31,754					31,754	28000					28000
Benazir Income Support Programme ^	34,330					34,330	32,032					32,032	14,003					14,003
Pakistan Bait-ul-Maal ^	3,224					3,224	2,261					2,261	1,169					1,169
<b>GRAND TOTAL</b>	<b>481,294</b>	<b>367,288</b>	<b>209,331</b>	<b>103,651</b>	<b>83,977</b>	<b>1,245,541</b>	<b>469,006</b>	<b>310,337</b>	<b>172,819</b>	<b>108,524</b>	<b>50,076</b>	<b>1,110,762</b>	<b>398,109</b>	<b>302,435</b>	<b>150,794</b>	<b>84,551</b>	<b>41,339</b>	<b>977,228</b>

\* Total expenditures for Social Security & Welfare excludes the budgetary expenditures for Benazir Income Support Programme (BISP) and Pakistan Bait-ul-Maal (PBM) as they are separately mentioned above.

\*\*This includes irrigation, fisheries, forestry & livestock

\*\*\*This includes subsidies on financial & fiscal affairs, commercial affairs and food. Total subsidies for FY2010/11 exclude the Food subsidy of KP

\*\*\*\*This includes schemes in the area of Electricity, Gas, Water Supply & Sanitation and Roads.

^ Revised figures for Benazir Income Support Programme and Pakistan Bait-ul-Maal in FY 2010/11

