

**POVERTY REDUCTION STRATEGY PAPER
SECOND QUARTER PROGRESS REPORT
FOR THE YEAR 2004-05**



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**PRSP Secretariat - Finance Division
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POVERTY REDUCTION STRATEGY PAPER: PROGRSS REPORT FOR THE SECOND QUARTER OF 2004-05

1 Introduction

1.1 Pakistan's economic performance continues to be remarkable during the second quarter of the current fiscal year (FY05). The projected improvement in both manufacturing and agriculture, together with the expected above target performance by the services sector implies that the real GDP growth during FY05 will be broad-based and likely to exceed the original target of 6.6 percent. Revised projections of the State Bank of Pakistan (SBP) indicate that real GDP growth rate is likely to fall in the range of 7.4 to 7.8 percent during FY05, exceeds the 7 percent level for the first time since FY96. Pakistan's performance on fiscal front has been impressive.

1.2 The real challenge is how to direct the benefits of high economic growth to the poor. Several steps have been taken in this direction. The Federal Fiscal Responsibility Law, which brings the government under obligation for spending at least 4.5 percent of GDP on the pro-poor sectors, has been passed by the National Assembly. The Law will be effective after its approval from the Senate and then the President of Pakistan. The pro-poor expenditures as percentage of GDP have gradually increased. Direct benefits to the poor particularly through micro-finance have also increased over time. The total budgetary and non-budgetary pro-poor expenditures during the last five years (1999-2004) stood at Rs. one thousand billion. The acceleration in the macro economy with the increased pro-poor expenditures appears to have contributed in employment generation in the country. The rising trends in unemployment have been arrested, particularly among female in rural as well as urban areas.

1.3 Poverty Reduction Strategy Paper (PRSP) has provided a strong base for policy makers and planners to develop future plans and set achievable economic and social targets conducive for the well-being of people, particularly the poor. Recently published Pakistan Millennium Development Goals (MDGs) Report 2004 has succinctly integrated the PRSP approach to set targets for the 2015 period. Both the PRSP and MDGs have also provided the long-term perspective within which the next Five Year Plan 2005-10 is also being prepared. National ownership of the process and product for monitoring progress towards MDGs helped align the long-term (2015) MDG targets with the 2005-06 targets of PRSP and the 2011 targets of the Ten Year Plan. All these efforts indicate the commitment and consistency in socio-economic policies to improve the well-being of people.

1.4 This report reviews the progress of poverty reduction strategy paper (PRSP) for the second quarter of FY05. In addition to analyzing the quarterly expenditure data, it has also discussed the employment situation as well as progress in the MDG indicators. It is the first PRSP report that has, though partially, included data on the governance indicators, such as number of cases pending and disposed of in superior and subordinate judiciary.

1.5 This report is divided into nine sections. An overview of macroeconomic indicators that are related to poverty reduction is discussed in section 2, followed by an analysis of budgetary and non-budgetary expenditures in sections 3 and 4, respectively. Progress in intermediate indicators is discussed in section 5. An overview of some output indicators including education and employment is given in section 6 while the MDG targets are discussed in section 7. A special brief report of Pakistan Baitul Mal is included in section

8, followed by the concluding remarks in the final section.

2 An Overview of Macroeconomic Indicators¹

2.1 Pakistan's economic performance during the first half (H1) of FY05 has been very impressive. With the upwards-revised cotton production figures, the value-addition by the *kharif* FY05 crop is now considerably higher than the initial estimates. Timely rains and snowfalls will help achieve *rabi* FY05 crop targets. During the first half of FY05 the large scale manufacturing grew by 16.1 percent YoY, well above the 12 percent annual growth target. The services sector is also expected to surpass its annual growth target of 6.2 percent. This means that the real GDP growth during FY05 will exceed the initial annual 6.6 percent target by substantial margin. There has also been a rise in credit to the private sector (see Table 1), strengthening domestic demand, resulting to massive increase in imports of non-food, non-oil items. The tax revenue collection grew by 7.4 percent during July-December FY05 compared to the same period in FY04. The actual fiscal deficit provisionally estimated at Rs. 80.2 billion or 1.3 percent of full year GDP during H1-FY05, was only 40.3% of the official annual target. The Karachi Electric Supply Corporation (KESC), the most complex and difficult public sector utility has been privatized. There has been successful launching of Islamic bond (SUKUK) for the first time in the country's history to diversify investors' base as well as promote Islamic banking within and outside Pakistan.

Table: 1 Major macro economic indicators

Indicators	July-December		
	FY03	FY04	FY05
<u>Growth rates (%)</u>			
Large-scale manufacturing	4.8	17.9	16.1
Exports	16.6	13.2	10.5
Imports	18.7	14.1	34.8
Tax Revenues (CBR)	21.1	9.7	7.4
CPI (12-month moving average)	3.7	2.9	7.4
Private sector credit	10.1	21.2	19.5
Money Supply (M2)	8.6	9.0	9.8
<u>Miloin US \$</u>			
Total liquid reserves	9,336	12,172	11,987
Home remittances	2,019	1,862	1,946
Foreign private investment	573	259	504
<u>Percent of GDP</u>			
Fiscal Deficit	1.4	0.6	1.3
Trade Deficit	0.9	0.9	2.5
Current a/c balance	2.8	1.9	-0.9

Source: The State of Pakistan's Economy-Second Quarterly Report 2004-05

¹ This section relies heavily on the following documents: The State of Pakistan's Economy - Second Quarterly Report 2004-05, State Bank of Pakistan; Fiscal Year 2004-05, Mid Year Review of Pakistan's Economy, Government of Pakistan, Finance Division, Debt Office & Economic Advisor's Wing. The remittances and NFI figures are taken from the website of the State Bank of Pakistan.

2.1 Agriculture

2.2 The revised cotton production exceeded 14.0 million bales, as compared to the earlier estimate of 11.6 million bales and the FY05 target of 10.7 million bales. This has comfortably offset the impact of the relatively disappointing rice and sugarcane harvest. The improved water availability due to timely rains and heavy snowfalls has given rise to hopes that the wheat harvest will be at least close to the 20.2 million tones target for the FY05. The timings of rains probably also allowed farmers to increase areas under cultivation, particularly in *barani* (non-canal fed) areas and probably encouraged some additional late sowing of wheat as well.² This expectation is also strengthened by the sustained high prices for agricultural produce and the ample availability of credit (implying improved access to inputs). The agriculture-credit disbursed during H1-FY05 stood at Rs 49.1 billion, is 49.4 percent higher than in the corresponding period of H1-FY04 and 57.8 percent of the FY05 annual target. The growth in aggregate crop sector could exceed 8 percent during FY05, well above the 3.5 percent target for the year. The crop sub-sector comprises approximately 46 percent of the agriculture sector. As a result it seems quite likely that agriculture growth during FY05 will exceed the 4 percent annual target. Achievement of high agricultural growth is considered as one of the key factors to ensure macroeconomic stability and poverty reduction.

2.3 This year there are no evident problems in the livestock sub-sector, as bird flu virus infected poultry in FY04. Also, the extensive promotion of credit availability for livestock under special scheme of small loans is likely to support a higher pace of growth during FY05.

2.2 Manufacturing

2.4 The Index of Industrial Production (IIP) grew by 15.4 percent YoY during H1-FY05, significantly higher than the 9.8 percent annual growth target. While, the growth rate is certainly lower than the 21 percent YoY during H1-FY04, it is nonetheless impressive given the strong performance in almost all the months of H1-FY05. The Large Scale Manufacturing (LSM) growth remains quite strong at 16.1 percent YoY during the first half of FY05, well over the 12 percent annual growth target. The LSM continued to dominate the industrial growth profile, contributing approximately two-thirds of the overall industrial growth, during H1-FY05. The SBP forecasts LSM growth to range between 12 to 16 percent during FY05. However, the growth momentum seems to have weakened somewhat. This deceleration appears to be largely attributable to capacity constraints (electronics, automobiles and fertilizers), as well as high base effect.

2.5 Large investment in the textile industry along with high cotton output has doubled the growth rate of textile sector to 15.9 percent during H1-FY05. Although, it was disconcerting that the production of large units in value added items recorded a negative growth. Almost one-third of LSM value added originates from textiles; the impact of this strong growth on exports and employment is likely to be favorable.

² As, the agriculture sector is uniquely vulnerable to natural vagaries; the final growth numbers will depend heavily on the eventual outcome of the standing wheat crop. The continued heavy rains and snowfall may damage the standing wheat crop and some minor crops as well.

2.6 Fertilizers, electronics and automobiles sub-sectors witnessed impressive growth rates during H1-FY05, over an already high base set during the corresponding period of FY04. The availability of bank credit for consumers and agriculture partly contributed to the good performance by these sectors.

2.3 Inflation

2.7 After reaching at 9.33 percent in July 2004, the growth in Consumer Price Index (CPI) began a gradual decline to a near term low of 7.37 percent in December 2004, there was again resurgence in CPI inflation to reach a seven year high of 9.95 percent in February 2005. The H1-FY05 deceleration in CPI inflation owes entirely to a sharp fall in food inflation. The impact of decline in food inflation was offset throughout this period by the continued rise in the non-food inflation, which was driven by increase in House Rent Index (HRI) and the impact of the recent increases in the domestic oil prices. As a result, contribution of food inflation to overall CPI inflation has decreased steadily in FY05, in sharp contrast to overall CPI inflation, when food inflation was the dominant contributor. The food inflation YoY increased by 12.91 percent and non-food inflation rose by 7.96 percent during February 2005. The revised SBP projection indicate that annualized CPI inflation for FY05 is likely to fall in the 8.2-8.8 percent range, up from the 7.6-8.2 percent range expected earlier and 5 percent original target. This forecast assumes that the international oil prices would decline during spring onward, leading to a subsequent downward adjustment in domestic oil prices.

2.4 Remittances

2.8 The workers remittances (cash) stood at US\$ 2.6 billion, during July-February FY05, an increase of 3.6% compared to the corresponding period in FY04. The strong remittances flows were sustained primarily from USA and Gulf countries. During Q2-FY05, the remittances slightly declined, as during Eid-ul-Fitar, workers bring money along with them.

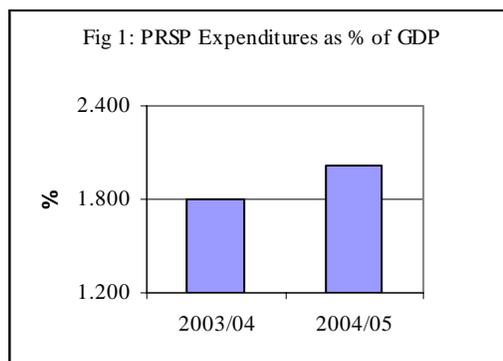
2.5 Net Foreign Investment

2.9 The Net Foreign Investment (NFI) stood at US\$679.9 million during July-February FY05, an increase of 96.3% over the same period in FY05. The higher inflows under Foreign Direct Investment (FDI), as well as reversal in portfolio investment in the stock market (from an outflow of US\$38.5 million to an inflow of US\$ 82.3 million during July-February FY05) were the underlying factors behind the impressive growth in NFI. The FDI during the same period grew by 55% to US\$ 597.6 million, directed mainly to the oil and gas, telecommunication, financial business, chemicals and power sectors.

3 An Analysis of the Pro-poor Budgetary Expenditures

3.1 This section compares the PRSP budgetary expenditures during the first half (1st and 2nd quarters) of FY05 with the corresponding period of FY04. PRSP expenditures by the federal and provincial governments stood at Rs. 125 billion during the first half of FY05. These expenditures are approximately 27 percent higher than the expenditures incurred during the same period of the last fiscal year (FY04). Figure 1 shows that PRSP expenditures during the first half of FY05 were more than 2 percent of GDP as compared

to 1.8 percent during the corresponding period of FY04. This shows the strong commitment of the government to support poverty reduction interventions in the country. The increase in pro-poor expenditure is likely to have improved the service delivery, particularly for the poor.



3.2 Sector-wise situation of the PRSP expenditure is encouraging as well. All PRSP pro-poor sectors, except, 'food subsidies', rural electrification and 'natural calamities', have witnessed an increase in the expenditure during the first half of FY05 as compared to the corresponding period of FY04. However, there is a large sector-wise variation. A strong growth in low cost housing as depicted in Table 2, is solely based on expenditures by the Punjab province, as remaining provinces made no expenditures in this sector in H1-FY05, as well as H1-FY04 (see annex 1). Housing is one of the key sectors for poverty reduction. Shelter is one of the necessities of life. Moreover, development of this sector is labor intensive in nature, which creates employment opportunities for the poor, particularly semi and unskilled workers. Therefore Sindh, NWFP and Balochistan province need to invest on the low cost housing sector.

Table 2: PRSP budgetary expenditures and % change upto Q2 FY2004/05 and Q2 FY2003/04

Sectors	Expenditures upto Q2 (million Rs)		% change	Expenditures upto Q2 as % of GDP*	
	2003/04	2004/05		2003/04	2004/05
Roads, highways & bridges	4,880	9,630	97.34	0.089	0.156
Water supply and sanitation	1,566	2,160	37.93	0.029	0.035
Education	43,674	50,024	14.54	0.800	0.812
Health	10,068	12,274	21.91	0.184	0.199
Population Planning	1,232	1,567	27.19	0.023	0.025
Social security & welfare	628	1,989	216.72	0.012	0.032
Natural Calamities	408	242	-40.69	0.007	0.004
Irrigation	8,588	12,516	45.74	0.157	0.203
Land reclamation	842	1,076	27.79	0.015	0.017
Rural development	5,214	6,709	28.67	0.096	0.109
Rural electrification	529	371	-29.87	0.010	0.006
Food subsidies	2,032	1,060	-47.83	0.037	0.017
Food support program	1,245	2,053	64.88	0.023	0.033
Tawana Pakistan	-	59	-	-	0.001

(table continued . . .)

Low cost housing	21	229	990.48	0.000	0.004
Administration of justice	1,059	1,386	30.88	0.019	0.022
Law and order	16,559	21,322	28.76	0.303	0.346
Total	98,545	124,667	26.51	1.805	2.022

* For 2004/05, projected GDP used is 6,164,000 million Rs.

3.3 A substantial increase in expenditure on education, health and population planning sectors were also witnessed during the first half of the current fiscal year as compared to last year corresponding period. These expenditures as percentage of GDP were also higher in FY05 than in FY04. This increase is crucial for supporting the efforts in improving the human capital and population stability in the country. Several MDG targets endorsed by the government of Pakistan and aligned with the PRSP are related to education, health and population. Increase in expenditure in these sectors is likely to help achieving the PRSP/MDGs targets. Keeping in view both the growth in population and targets to be achieved by 2015, required financial sources need to be precisely determined to identify the gaps and to ensure the availability of resources on time.

3.4 Roads and highways, irrigation, water supply and sanitation, social security, food support program, administration of justice and law order also witnessed a considerable increase in expenditures as compared to FY04 expenditure. Water supply and sanitation sector, which has been neglected previously, is now among the priority sectors. This priority may be continued since it has positive impact on health status of the population.

3.1 PRSP Expenditures on Sub-sector of Education and Health

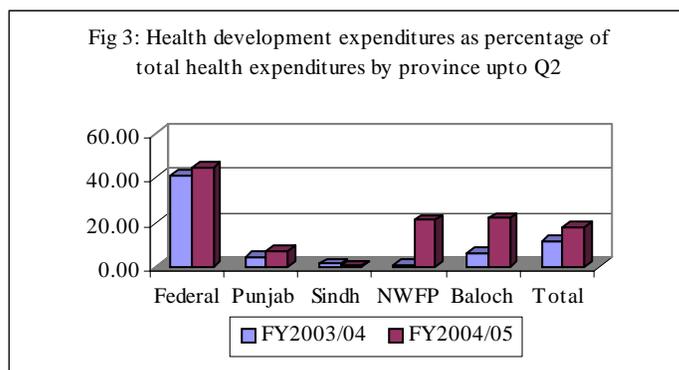
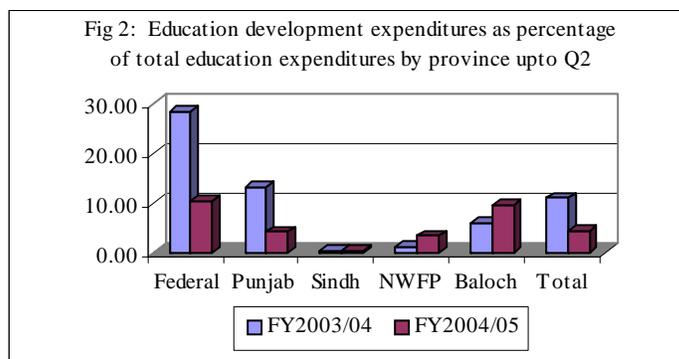
3.6 Table 3 shows an overall decline of 5 percent in primary education sector. This decline is primarily due to decline in Punjab and Balochistan provinces. There was a considerable increase in primary sector education in NWFP while it was relatively modest in the case of Sindh and federal expenditure. During the first half of FY05, expenditure in secondary education increased by 17 percent as compared to the same period in FY04. A decline was witnessed in federal and NWFP expenditure on college/university education. Federal expenditures in sub-sectors of technical education and training also declined in the first half of FY05 as compared to spending in the same quarter of FY04.

Table 3: Percentage change in PRSP education expenditures upto Q2 FY2004/05 and

Province/region	Q2 FY2003/04 by province and sectors of education					
	All sectors of education	Primary education	Secondary education	University/college education	Technical education	Training
Federal	3.70	10.49	45.35	-82.09	-77.50	-100.00
Punjab	19.43	-13.52	14.46	19.00	-11.69	0.14
Sindh	10.97	6.50	16.01	9.33	8.46	0.00
NWFP	23.45	25.80	29.03	-100.00	200.85	-21.43
Balochistan	-11.47	-23.94	-23.17	-15.79	41.76	15.00
Total	14.54	-5.43	17.25	-43.06	-3.01	-2.87

3.7 Another important dimension of education and health expenditure is that the share of

development component in total expenditure has been low. However, a considerable progress in increasing development expenditures in the health sector during the first half of the FY05 has been made (Figures 2 and 3), except Punjab and Sindh province. There is a need to prioritize the allocation of resources within the education and health sectors in the guidance of education and health policies. For detail on other sector, see Annex 1.



3.2 Expenditures by Province and Sectors

3.5 Table 4 shows regional variations in PRSP expenditures. In Balochistan, two important sectors, education and rural development witnessed a decline in expenditure during the first half of the current fiscal year as compared to expenditure during the same period in FY04. Rural development expenditures also declined in Sindh. There is a need to strengthen the monitoring system at the province level so the resources are allocated efficiently to achieve the targets. Sector-wise expenditure situation during the first half of the current fiscal year seems to be satisfactory in Punjab (except food subsidies).

Table 4: Percentage change in PRSP expenditures upto Q2 FY2004/05 and Q2 FY2003/04 by sector

and province		Federal	Punjab	Sindh	NWFP	Balochistan	Pakistan
Sectors							
Roads, highways & bridges		11.98	92.20	370.45	95.87	61.30	97.34
Water supply and sanitation		-34.17	265.00	27.19	39.61	25.64	37.93
Education		3.70	19.43	10.97	23.45	-11.47	14.54
Health		35.94	16.08	6.51	47.55	14.21	21.91
Population Planning*		-15.00	-	-	-40.00	-	27.19
Social security & welfare		736.52	5.10	9.91	57.89	8.70	216.72
Natural Calamities		-41.09	-51.61	-36.08	-	-40.00	-40.69
Irrigation		72.88	18.43	25.48	11.41	30.06	45.74
Land reclamation		246.15	31.03	-6.00	-	-	27.79
Rural development		135.44	30.00	-13.40	319.72	-59.29	28.67
Rural electrification		-29.87	-	-	-	-	-29.87
Food subsidies		1525.00	-100.00	-	-	-	-47.83
Food support program		104.84	65.65	38.80	72.40	117.78	64.88
Tawana Pakistan		-	-	-	-	-	-
Low cost housing		-	990.48	-	-	-	990.48
Administration of justice		69.01	18.30	11.62	60.98	48.19	30.88
Law and order		23.81	48.61	11.89	24.28	22.66	28.76
Total		34.21	24.89	20.96	38.19	13.78	26.51

* Percentage for Pakistan is positive due to increase in expenditures during FY05, for details please see the annex.

4 Non-Budgetary Transfers

4.1 The non-budgetary transfers, Zakat, EOBI, and Credit (PPAF and Khushali Bank) during the first half of the current fiscal are presented in Table 5, which does not show a satisfactory situation. Overall a decline of 29 percent was observed in non-budgetary transfers. This decline was much higher, 41 percent, in terms of number of beneficiaries of these transfers. The amount of Zakat disbursed during the first half of the current fiscal year was approximately 60 percent lower than the zakat disbursed during the same period in FY04. Zakat is largely distributed in *Ramadhan*, which fell last year in the months of October and November. But it appears the volume of zakat distributed during the month of *Ramadhan* was relatively low. No doubt, there is a considerable leakage of Zakat to the non-poor segment of population, and the system is not functioning efficiently. But, Zakat has been a major source of income for many poorest of the poor households. Zakat system may be improved and more resources may be made available for the poor. It may also be distributed timely.

4.2 Disbursement through EOBI during the first half of the current fiscal year was almost equal to the corresponding disbursement in the last year (FY04).

4.3 Credit disbursed through the partner organizations of the PPAF declined during the first half of the current fiscal year. The total number of beneficiaries decreased from about 38,000 in FY04 to about 28,000 in FY05. The decline was primarily in female beneficiaries, since an increase of more than 50 percent was observed among the male beneficiaries (Table 5).

4.3 However, it is encouraging to see more than 3 times increase in total amount disbursed by the Khushali Bank; during the October-December 2003, 240 million rupees were disbursed by the Bank, and the amount increased to 832 million during the

corresponding period of 2004. The number of female beneficiaries of the Khushali Bank increased more than four times, while a modest decline in male beneficiaries was observed. The bank credit policy is focusing more on the poor women. Credit is considered as the major source for self-employment. This policy is likely to have helped in providing employment opportunities for women.

Table: 5 Non-budgetary transfers and beneficiaries

Program	Disbursement/beneficiaries	October-December 2003	October-December 2004	% Change
Zakat	-amount disbursed (million Rs)	2,816	1,142	-59.46
	- No of male beneficiaries	525,034	217,396	-58.59
	- No of female beneficiaries	294,079	174,099	-40.80
	- Total beneficiaries	819,113	391,495	-52.21
EOBI	-amount disbursed (million Rs)	429	410	-4.38
	- Total beneficiaries	120,989	120,700	-0.24
PPAF	-amount disbursed (million Rs)	407	366	-10.04
	- No of districts	72	79	9.72
	- No of male beneficiaries	12,763	20,030	56.94
	- No of female beneficiaries	24,910	7,735	-68.95
	- Total beneficiaries	37,673	27,765	-26.30
Khushali Bank*	-amount disbursed (million Rs)	240	832	246.14
	- No of districts	36	64	77.78
	- No of male beneficiaries	16,594	12,013	-27.61
	- No of female beneficiaries	8,175	36,103	341.63
	- Total beneficiaries	24,769	48,116	94.26
Total	-amount disbursed (million Rs)	3,892	2,750	-29.35
	- Total beneficiaries	1,002,544	588,076	-41.34

* For period September-December 2003 and September-December 2004

5 Monitoring the PRSP Intermediate Indicators

5.1 Data Issues

5.1 A look close at the PRSP tracking/monitoring matrix for intermediate and output indicators shows both the Core Welfare Indicator Questionnaire (CWIQ) survey and Pakistan Integrated Household Survey (PIHS) as the major sources for producing regularly the required data. Information systems developed by the education and health ministries are the other data sources for some indicators. The PIHS series has been completed after its last round in 2000-01. The Federal Bureau Statistics launched in 2004 a new series, named Pakistan Social and Living Standard Measurement Survey (PSLSM) and CWIQ to collect household data at province and district levels useful for assessment of social welfare of population in terms of poverty alleviation, health, education, family planning, rural water supply, employment, household assets, income/expenditure, household amenities and sanitation etc. The resources required for the 2004-09 period to complete five rounds of the PSLSM (CWIQ) have been allocated. In 2004, both district and province levels PSLSM were launched together. The results of the CWIQ are likely to be available by May this year, while the PSLSM results are expected at the end of the current calendar year. The 2004 CWIQ survey would provide district baseline data to be monitored through the subsequent rounds of the survey. The findings of the CWIQ at the federal, provincial and district levels would help in monitoring

the progress in several intermediate and output indicators. With the availability of CWIQ and PSLSM, a considerable improvement is expected in the PRSP monitoring system.

5.2 Education sector

5.2 It has been noted in the earlier PRSP quarterly reports that the major emphasis in the education sector reforms program is on the rehabilitation of existing public primary- and middle-level schools. The purpose of this rehabilitation program is to make these schools functional, where students and teachers are present and learning takes place regularly. PRSP has identified five education sector intermediate indicators including 'number of functional primary and middle schools', 'percentage of trained teachers in these schools', 'absenteeism of teachers', 'percentage of sanctioned staff strength filled' and 'percentage of schools with basic facilities such as drinking water', 'sanitation, 'electricity and boundary wall'. However, the actual data on intermediate indicators are available for the FY03 and early years. Actual data on education sector is obtained from the education census, which is not available for FY04 or for first half of the current fiscal year. The relevant departments have provided the estimated figures for the recent period, and it is reported in Table 6. Although the estimated data may not be accurate, it allows reviewing the progress in some indicators. The number of functioning primary schools has gradually increased from 133 thousand in 2001-02 to 137 thousand during the current fiscal year. The number of middle-level functional schools has increased from 12 thousand in 2001-02 to more than 14 thousand in FY05. The estimated data do not show any real progress during the last two years in the availability of safe drinking water and latrine facilities in primary- and middle-level schools.

Table 6: Number of functional schools and their proportion with water and latrine facilities

Year	Primary-level			Middle-level		
	No of functional schools	% of schools with drinking water	% of schools with latrine facility	No of functional schools	% of schools with drinking water	% of schools with latrine facility
2001/02*	132,527	51	36	12,529	72	46
2002/03	134,027	48	46	13,736	68	67
2003/04(E)	135,365	50	47	13,873	71	70
2004/05	136,719	50	47	14,014	71	70

*Data for the base year, 2001-02, is taken from the PRSP (Table 7.3C)

5.3 Health sector

5.3 Data on four intermediate health indicators – average utilization rate of First Level Care Facilities (FLCF)/day, births attended by skilled birth attendants, FLCFs not experiencing stock-out, and availability of contraceptives at FLCFs - are reported in Table 7 for the second quarter of FY05. For the corresponding period of two earlier years, data on these indicators are also provided in this table. The utilization rate of FLCFs during the second quarter of the FY05 was lower than the same period of FY03 and FY04. The main reason for this lower rate is the non-availability of data for Punjab province, where the utilization rates of FLCFs are usually higher than the other provinces (Annex 2). No improvement could be witnessed in the number of births attended by skilled birth

attendants. The performance of other two health indicators - 'experiencing stock-out of key supplies at the FLCFs', and 'availability of contraceptives in FLCFs'- was also unsatisfactory. It is difficult to answer the question why the health indicators' performance was in general unsatisfactory?

Table 7: PRSP Health intermediate indicators

Indicators*	Oct-Dec 2002	Oct-Dec 2003	Oct-Dec 2004
Average utilization rate of FLCF/Day/(Curative)**	131	130	112
Births attended by skilled birth attendants (%)	12	13	11
Availability of contraceptives in FLCFs (%of FLCF)	71	70	61
FLCFs not experiencing stock-out (%)	28	29	25

* Exclusive of Punjab data for Oct-Dec 2004 due to non availability

**Also includes hospitals

5.4 Table 8 presents data on TT-immunization coverage for pregnant women. The overall coverage during the second quarter of FY05 was similar to the coverage during the same period of FY04. There were large regional variations. For example, AJK not only witnessed an increase in the coverage of TT-immunization but also had an impressive rate of 74 percent for TT-I as well TT-II. In Punjab and Sindh, the coverage rate was more 40 percent, but it was very low in rest of the regions and provinces. As noted in the earlier PRSP reports, it is likely that some cultural norms particularly in traditional tribal communities inhibit the universal coverage of immunization of women. But efforts may be made to get the cooperation of local influential persons to enhance the TT coverage.

Table 8: EPI- Pakistan
Reported TT- immunization coverage for pregnant women

Province/Region	October 2003 to December 2003			October 2004 to December 2004		
	Target Population (+4.1% Pop)	TT-Immunization		Target Population (+4.1% Pop)	TT- Immunization	
		TT-1 Cov%	TT2+ Cov%		TT-1 Cov%	TT2+ Cov%
Punjab	846,295	44	45	867,627	45	48
Sindh	349,676	40	52	352,665	40	46
NWFP	204,675	27	29	220,515	13	10
FATA	36,585	14	21	33,855	23	22
Balochistan	75,918	20	26	82,428	18	35
AJK	33,884	46	48	35,235	74	74
FANA	10,127	28	37	10,305	23	21
ICT	10,047	14	11	3,210	44	30
CDA	-	-	-	9,051	6	13
Others	-	-	-	-	-	-
Pakistan	1,567,207	39	43	1,614,891	38	41

5.5 Table 9 shows that in December 2004, about 82,000 LHWs were active in the field,

and 6874 were under training (not shown in Table 9). The government seems to be very close to its target of recruiting 100,000 LHWs to provide basic health services to rural as well as poor urban population. Data also show that about 80 percent of all LHWs were deployed in rural areas.

5.6 Table 9 also presents data on population covered by LHWs in rural and urban areas. Out of the 151 million estimated population in 2003, 58 percent were covered by LHW program (Table 10). This coverage was higher in rural arrears, 66 percent, while in urban areas it was relatively low, 41 percent. The total targeted population was about 106 million and LHW program has covered 83 percent of the targeted population.

Table 9: Coverage of Lady Health Workers by province & region

Province/region	Urban	Rural	Total	Rural as % of total
Punjab	7,466	35,519	42,985	82.63
Sindh	6,520	11,249	17,769	63.31
NWFP	1,560	10,108	11,668	86.63
Balochistan	756	4,472	5,228	85.54
AJK	175	2,145	2,320	92.46
FANA	156	1,033	1,189	86.88
FATA	0	349	349	100.00
ICT	56	240	296	81.08
Total	16,689	65,115	81,804	79.60

Table 10: National Program for family planning and primary health care

	Projected 2003	% covered by LHWs upto December 2004
Total population	151,000,000	57.75
Urban population	50,526,110	40.98
Rural population	100,473,890	66.18
Target population	105,700,000	82.50

5.4 Governance

5.7 Governance is one of the four pillars of the PRSP. Although governance is related to all sectors of the economy, for the monitoring purpose, the PRSP has focused only on the performance of judiciary in terms of number of cases instituted and disposed of during a given period of time. PRSP aims to monitor these indicators for the superior judiciary, Supreme Court of Pakistan and High Courts, and for subordinate judiciary including special courts. In the earlier quarterly reports of the PRSP, data on the governance indicators could not be discussed because of its non-availability. It is good news that for the last three years the required data for NWFP and Balochistan has been made available. It includes information on High Courts as well as subordinate courts. This section has used this provincial information.

5.8 Table 11 shows that in the district courts of NWFP province percentage of disposed cases increased to 72 percent in 2004, from 66 percent in 2002. In the Peshawar High court, the percentage of disposed cases declined to 54 percent in 2004, from 64 percent in 2002.

Table 11: Governance indicators of NWFP
Percentage of disposed cases

Year	Peshawar High Court			District Courts		
	Total	Disposed	% of disposed	Total	Disposed	% of disposed
2002	30,510	19,631	64	467,682	307,400	65.7
2003	24,541	14,638	60	518,245	359,196	69.3
2004	23,012	12,432	54	555,304	401,773	72.4

5.9 The subordinate judiciary in Balochistan, which shows an increase in the number of instituted cases but a decrease in number of disposed of cases in absolute as well as percentage terms. A close look at the data presented in Table 12 indicates that the total capacity of subordinate judiciary in Balochistan is to dispose of 21-22 thousand cases annually. In percentage terms, the subordinate judiciary in Balochistan province was able in 2004 to dispose of three-quarters of the cases with these courts. The number of cases disposed of by the High Court of Balochistan decreased from 6000 in 2002 to less than 3000 in 2004. An increase in number of disposed of cases was observed in the Sibi Circuit Bench between 2002 and 2003 period, but a decline was observed between 2003 and 2004 period. The number of cases pending with the accountability Court-II Quetta decreased considerably during the 2001 and 2004 period (Table 13).

Table 12: High Court of Balochistan
Percentage of disposed cases

Year	High Court of Balochistan			Sibi Circuit Bench			Subordinate Judiciary		
	Total	Disposed	% of disposed	Total	Disposed	% of disposed	Total	Disposed	% of disposed
2002	8733	6002	68.7	627	278	44.3	27354	22219	81.2
2003	6293	3974	63.1	838	580	69.2	26864	21259	79.1
2004	5227	2888	55.3	740	454	61.4	29206	21870	74.9

Note: Balochistan data are subject to correction, since some data are not complete

Table 13: Accountability Court-II Quetta
Percentage of Disposed Cases

Year	Total	Disposed	% of disposed
2001	33	30	90.9
2002	23	21	91.3
2003	16	12	75.0
2004	9	5	55.6

Note: Balochistan data are subject to correction, since some data are not complete

5.5 Land Distribution

5.10 In October-December 2003 quarter, the land distribution took place only in Sindh where about three thousand and five hundred acres of land was distributed among the three hundred and ninety eight beneficiaries. No major land distribution took place during the first half of the current fiscal year, when only 22 acres of state owned land was

distributed to 8 households in Punjab (Table 14).

Table 14: Allotment of state and resumed land (acres)

Province/Region	October-December 2003		October-December 2004	
	Total		Total	
	Land Distributed	No of Beneficiaries	Land Distributed	No of Beneficiaries
Punjab	993	82	22	8
Sindh	3,579	398	-	-
NWFP	-	-	-	-
Balochistan	-	-	-	-
Total	4,572	480	22	8

6 Monitoring the Output Indicators

6.1 This report has been able to monitor at least couple of output indicators. As noted earlier, with the availability of 2003-04 Labor Force Survey (LFS), it is possible to monitor the PRSP labor market indicators. Data have also been made available on the impact of Punjab Education Sector Reform Program (PERSP) on net school enrolment, primary completion rates and dropout rates. Employment and education indicators (Punjab only), including some intermediate indicators, have been discussed in this section.

6.1 Employment

6.2 It is well recognized that employment plays a central role in poverty reduction. Open unemployment in Pakistan increased from 4.7 percent in 1992-93 to more than 8 percent in 2001-02. This is the period when overall poverty also increased. However, the impressive growth performance during the last two years is likely to have contributed in arresting the rising trends in unemployment as well as poverty. Results of the 2003-04 Labor Force Survey (LFS), the main data source for employment in Pakistan, have recently been published. These results show a modest decline in the unemployment rate between the 2001-02 and 2003-04 period. For the purpose of monitoring the progress in labor market indicators, PRSP has identified two indicators: 'unemployment rate' and 'total employed labor force'.³ Besides a discussion on these two indicators, this section has used the 2003-04 LFS results to review briefly the role of informal sector in employment.

Employed Labor Force

6.3 The LFS computes the labor force by multiplying the crude activity rate with the total population. The former increased from 29.6 percent in 2001-02 to 30.4 percent in 2003-04. During this period an increase has also been witnessed in total population of the country. The total labor force therefore increased from 43 million in 2001-02 to 45 million in 2003-04. Table 15 shows that the number of employed persons has also increased from 38.88 million in 2001-02 to 41.75 million in 2003-04. This increase has been noted across the board irrespective of gender; area and province (see Labor Force Survey, 2003-04). The volume of unemployed has reduced from 3.51 million in 2001-02 to 3.48 million in 2003-04 (Table 15).

³ Unemployment rate is defined as the percentage of unemployed labor force to the total labor force.

Table: 15 Civilian labor force, employed and unemployed for Pakistan
(Million)

	1999-2000	2001-02	2003-04
Labor Force	39.4	42.39	45.23
Employed	36.32	38.88	41.75
Unemployed	3.08	3.51	3.48

Source: Labor Force Survey 2001-02 and 2003-04

Unemployment

6.4 Overall unemployment rate has decreased from 8.3 percent in 2001-02 to 7.7 percent in 2003-04, due, mainly, to steeper decline in women's unemployment from 17 percent to 13 percent during the inter-survey period. Among male, this decline was nominal; from 6.7 percent to 6.6 percent. Change in the unemployment rates varies between rural and urban areas (Table 16). Female unemployment rate declined in rural as well as urban areas while for male a modest decline was observed in only rural areas but in urban areas the rate in fact increased from 7.9 percent in 2001-02 to 8.4 percent in 2003-04. How these changes can be explained? First take the decline in female unemployment in both rural and urban areas. This decline could be due to two reasons; female were able to get job opportunities or they withdrew from the labor force mainly because of 'discourage phenomenon'. But female participation in the labor force increased considerably between 2001-02 and 2003-04 in rural areas, and there was a modest decline of 0.6 percentage point in urban areas (Table 17). It thus appears that female unemployment reduced primarily due to expansion in job opportunities for females. Micro-finance facilities focusing women particularly in rural areas could be the major contributing factor for reduction in female unemployment rate. The rise in male unemployment rate in urban areas is a serious concern.

6.5 Figures 4 and 5 compare age-specific unemployment rates among male and female for 2001-02 and 2003-04 period. Women's unemployment has consistently been on decline across the constituent age intervals. Men's unemployment rate increased for youth, 20-24 years old, and for those aged 40 years and older. Men in these age groups may be particularly targeted for self-employment through micro-finance and skill training.

Table 16: Unemployment rate by gender and rural-urban areas

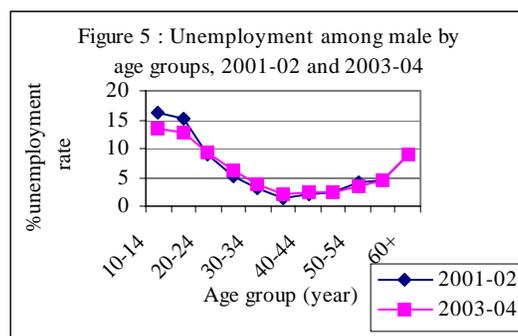
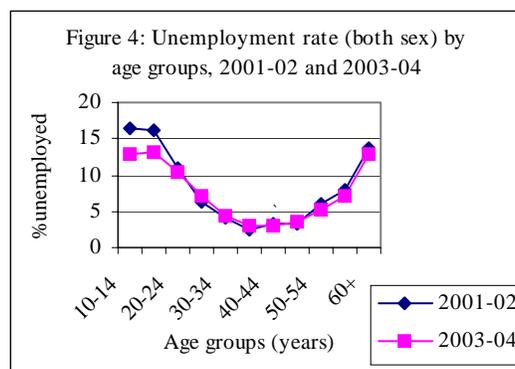
Region	2001-02			2003-04		
	Total	Male	Female	Total	Male	Female
Rural	7.6	6.1	14.2	6.7	5.7	10.9
Urban	9.8	7.9	24.2	9.7	8.4	19.8
All areas	8.3	6.7	16.5	7.7	6.6	12.8

Source: Labour Force Survey, 2003-04

Table 17: Refined activity (participation) rates by rural and urban areas

Province/Area	2001-02					2003-04				
	Total	Male	Female	Improved Participation Rate		Total	Male	Female	Improved Participation Rate	
				Total	Female				Total	Female
Pakistan	43.3	70.3	14.4	54.7	37.7	43.7	70.6	15.9	55.3	39.3
Rural	45.2	72.2	16.8	60.09	48.7	46.3	72.6	19.5	62.9	52.7
Urban	39.9	66.9	10	43	16.4	39.2	67.1	9.4	41.7	14.5

Source: Labor Force Survey, 2003-04



Role of informal sector in employment

6.6 With respect to employment, the role of informal sector has been discussed below briefly. Currently, informal sector accounts for 70 percent of the employment (Table 18). Proportion of employed person involved in rural informal sector (73%) was higher compared to that of urban areas (67%). As expected, formal sector activities are more concentrated in urban areas (33%) as compared to rural areas (27%). Since informal activities are predominantly non-agrarian, male workers are relatively more concentrated in informal sector both in rural and urban areas of the country. Informal sector's employment has surged by five percentage points from 65% in 2001-02 to 70% in 2003-04. According to the labor force survey, the launch of consumer finance schemes by various financial institutions is one of the important reasons.

Table 18: Distribution of Non-agriculture workers into formal and informal sector

Sector	2001-02			2003-04		
	Total	Male	Female	Total	Male	Female
Total	100.0	100.0	100.0	100.0	100.0	100.0
Formal	35.4	35.3	37.0	30.0	29.6	34.3
Informal	64.6	64.7	63.0	70.0	70.4	65.7
Rural	100.0	100.0	100.0	100.0	100.0	100.0
Formal	31.7	31.5	34.3	27.1	26.7	30.1
Informal	68.3	68.5	65.7	72.9	73.3	69.9
Urban	100.0	100.0	100.0	100.0	100.0	100.0
Formal	38.9	38.9	39.3	32.8	32.2	38.4
Informal	61.1	61.1	60.7	67.2	67.8	61.6

Source: Computed from Statistical Appendix Table--17 of Labour Force Survey, 2003-04

6.2 The Punjab Education Sector Reform Program (PESRP)

6.7 Punjab has significantly reallocated public expenditures toward education and other pro-poor programs and is the first province in Pakistan to implement national initiatives for decentralization and accompanying public finance and management reforms, using the education sector as the leading sector. The PESRP has three pillars: (A) public finance reforms to realign expenditures at the provincial and district level toward education and other pro-poor expenditures; (B) devolution and public sector management reforms; and (C) reforms to improve quality, access and governance of the education system. PESRP is supported by the World Bank. The first two pillars of the reforms are also being supported by the Asian Development Bank. The Punjab Government has developed a Provincial development strategy, which is parallel to the Federal PRSP. This strategy supports the devolution of decision making and finances to the districts and provides the impetus for public finance and management reforms. Experience during the first year implementation of PESRP, shows that education sector reforms are better implemented when aligned with parallel reforms in public finance management and governance.

6.8 Tables 19 and 20 present data on the achievements of PESRP some indicators. The data is based on a schools census conducted in October 2004. Significant progress is evident in outcomes as measured by enrollment increases; 13% enrollment increase in government primary schools as compared to the annual 1.5% increase documented during the past decade. Girl's enrollment in the fifteen low literacy districts has increased by 20% due to the timely provision of stipends. Table also shows an improvement in primary school completion rate, and a fair decline has been witnessed in the drop-out rates.

6.9 Education sector governance and quality has been strengthened by the recruitment of a total of 30,000 contract facility-based teachers in one year (from the start of the program to-date) and expanding the role of School Councils. Contract teachers' educational qualifications have been increased to improve teaching quality. A credible monitoring system for the program has been developed and educational data is being effectively and analytically used for policy decisions, planning and monitoring purposes.

6.10 Impressive progress has been made to improve equity and access with on time delivery of free textbooks for the school year beginning in April 2004. A girls stipends program targeting all girls enrolled in Classes 6-8 in fifteen low literacy districts was

successfully launched and quarterly installments of stipends to over 175,000 eligible girls students (now increased to 200,000 girls) are being regularly provided in these districts. A comprehensive program to provide missing infrastructure to schools has commenced and is making steady progress towards completion of works. Fifty percent of the closed and non-functional schools were opened by filling vacant teaching posts.

Table 19: Major program targets and achievements for FY04

Activity	Actual		Remarks
	FY04 target	Achieved	
Enrollment increase at primary level	1.50%	13%	Based on preliminary results
Number of schools remaining with missing facilities	72,000	68,600	Missing facilities include school boundary walls, electricity, toilets etc
Number of non-functional schools remaining	500	514	
Teacher recruitment	13,000	13,000	13,000 additional teachers have also been recruited in the first quarter of FY05
Percentage of primary students receiving free textbooks on time	75%	85%	Textbooks reached students at the start of the academic year

Table 20: Baseline¹ and targets of PERSP

Indicator	Baseline 2003	Actual 2004	2005	2006
Input Indicators (baseline and rates of growth)				
Outcome indicators ³				
Net primary enrollment rates by gender (excluding katchi) ⁴	Overall: 45 girls: 43 boys: 47	Overall: 46 girls: 44 boys: 48	Overall: 48 girls: 46 boys: 50	Overall: 50 girls: 48 boys: 52
Net middle enrollment rate by gender (source: PIHS)	Overall: 18 girls: 18 boys: 18	Overall: 19 girls: 19 boys: 19	Overall: 22 girls: 24 boys: 20	Overall: 24 girls: 25 boys: 23
Programme targets (Government schools only)				
Primary completion rates (source: EMIS-Punjab)	Total: 45 girls: 49 boys: 43	Total: 46 girls: 50 boys: 44	Total: 50 girls: 54 boys: 48	Total: 55 girls: 59 boys: 53
Net primary enrollment (excluding katchi)	Total: 39 girls: 35 boys: 43	Total: 39 girls: 35 boys: 43	Total: 41 girls: 37 boys: 44	Total: 44 girls: 40 boys: 48
Dropout rates: on completion of primary cycle	Total: 60% girls: 69% boys: 51%	Total: 59% girls: 68% boys: 50%	Total: 55% girls: 61% boys: 48%	Total: 50% girls: 54% boys: 45%
Dropout rates: on completion of middle cycle	Total: 76% girls: 81% boys: 71%	Total: 75% girls: 80% boys: 70%	Total: 69% girls: 74% boys: 64%	Total: 61% girls: 65% boys: 57%

¹Baseline data for 2003 are from a special Punjab EMIS survey to develop district baselines, which was carried out in spring 2003. The EMIS data covers Government schools. Note that PIHS data and EMIS data are not fully comparable.

² Figures marked in bold are those that exceeded the first year targets.

³ The first CWIQ survey is currently under implementation and the results are expected to be available during 2005

⁴ *Katchi* is the term used in Pakistan for pre primary class.

7 Pakistan Millennium Development Goals Report 2004

7.1 A recent positive development in monitoring the progress in poverty reduction is the publication of the Pakistan MDG Report 2004 by the Planning Division and UNDP. For each indicator of the MDGs, this report has given a baseline data for 1990/91; with PRSP and MDGs targets for 2005-06 and 2015 respectively.

7.2 For some indicators, the MDG report has provided data for the 2002-03 period (Annex 3). Between the 2000-01 and 2003-04 period, an improvement has been observed in these indicators. For example, literacy rate has increased from 50.5 percent in 2000-01 to 54 percent in 2002-03. A two-percentage point decline in infant and child mortality has also been reported in the MDG report 2004. Child immunization rate has also increased, although there was no change in the proportion of underweight children. With the availability of the CWIQ survey results this year, it would be possible to update the data for the 2004.

7.3 One important contribution of the MDG report 2004 is that against each target, it has included two assessments; 'the state of supportive environment', and the possibility of 'reaching the target'. With respect to supporting environment, the report has assessed that it is found to be 'strong' for achieving the target of halving poverty by 2015 (Table 21). In the case of many education and health indicators, this environment is assessed as 'weak but improving'. For example, regarding the supportive environment for universal primary education, the MDG report 2004 says that budgetary allocation for education has remained under 2% of GDP⁴. About 90-95% of the current allocations are spent on meeting staff salaries and the remainder is insufficient for providing quality education. To achieve the ESR objective, national expenditure on education has been projected to increase to 2.15% of GDP by 2005-06. Thus the supportive environment for universal primary education is categorized as 'weak but improving'.

7.4 For the possibility of achieving the MDG targets by 2015, four options have been given in the MDG report 2004: 'probably', 'potentially', 'unlikely', and 'no data'. Not a single goal is included in the 'probably' category; most are considered as 'potentially' achievable (Table 21). According to the report it is even 'unlikely' to achieve the target of 'elimination of gender disparity in primary and secondary education by 2005 and to all levels of education no later than 2015'. One may differ with the assessment of the MDG report, but it does emphasize that in order to materialize all the targets by 2015, there is a need to make more efforts in terms of availability of resources and monitoring the progress regularly.

⁴ Education expenditure given in this report does not include the education expenditure incurred through the Military Accountant General on schools in cantonment areas of the country. Actual education expenditure may be close to 2% of GDP.

Table 21: Pakistan MDGs: status at a glance - summary of progress

	State of supportive environment	Will target be reached?
Goal: 1 Eradicate extreme poverty and hunger		
Halve, between 1990 and 2015, the proportion of people below the poverty line	Strong	Potentially
Halve, between 1990 and 2015, the proportion of people who suffer from hunger	Strong	Potentially
Goal: 2 Achieving universal primary education		
Achieve universal primary education by 2015	Weak but improving	Potentially
Goal: 3 Promoting gender equality and women empowerment		
Eliminate gender disparity in primary and secondary education by 2005 and to all levels of education no later than 2015	Weak but improving	Unlikely
Goal: 4 Reducing child mortality		
Reduce by two thirds, between 1990 and 2015, the under-five mortality rate	Fair	Potentially
Goal 5: Improving maternal health		
Reduce by three quarters, between 1990 and 2015, the maternal mortality ration	Fair	Potentially
Goal: 6 Combating HIV/AIDS, malaria and other diseases		
Have halted by 2015 and begun to reverse the spread of HIV/AIDS	Weak but improving	No data
Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases	Fair	Probably
Goal: 7 Ensuring environmental sustainability		
Integrate the principles of sustainable development into country policies and programme and reverse the loss of environmental resources	Weak but improving	Potentially
Halve, by 2015 the proportion of people without sustainable access to safe drinking water	Fair	Potentially
Have achieved by 2020, a significant improvement in the lives of slum dwellers	Weak but improving	Potentially

Source: Pakistan Millennium Development Goals Report 2004

8 Pakistan Bait-ul-Mal: Programs, Projects and Schemes

8.1 Several programs targeting the poor are implemented through the Pakistan Bait-ul-Mal (BPM). It is thus making a significant contribution towards poverty reduction through its various poorest of the poor focused services providing assistance to destitute, widow, orphan, invalid, infirm and other needy persons irrespective of their gender, caste, creed and religion. The ongoing projects/schemes of the BPM are discussed in this section. Data are presented in Tables 22 and 23.

Food Support Program (FSP)

8.2 The Food Support Program (FSP) is a social safety net program targeting poorest of the poor to provide relief due to increase in the wheat prices since year 2000. BPM administered FSP in collaboration with Pakistan Post Office and Provincial Governments. The scheme was launched in August 2000 with annual budget of Rs 2.5 billion. Initially the program was for two years, but it has been further extended because of its efficacy and appeal to target communities. At present the annual budget of FSP is Rs 3 billion. In FY2003-04, the Federal Government revised the ceiling from Rs. 2000/ to Rs 2400/ biannually. Since inception of FSP, Rs 10,877.588 billion have been paid in 9 installments.

Individual Financial Assistance (IFA)

8.3 Through Individual Financial Assistance (IFA) the poor, widows, destitute, women, orphans and disabled persons are supported through general assistance, education, medical treatment and rehabilitation. Currently PBM is addressing 21230 deserving beneficiaries through out the country with budget of Rs. 200 million.

Institutional Rehabilitation

8.4 NGOs engaged in welfare projects are also being provided financial assistance through PBM. Since 1992 Rs. 364.40 (m) have been disbursed among 759 NGOs. During the preceding financial Rs. 48.72 (m) has been disbursed among various NGOs under different strategies such as (i) Institutional support to orphans disabled, abandoned and destitute women, aged, children of juvenile (ii) Institutional care of aged, with stress on eye care and (iii) Innovation Pilot Rehabilitation Project.

National Centre(s) for Rehabilitation of Child Labor (NCsRCL)

8.5 The International Labor Organization (ILO) through its International Program for Elimination of Child Labor (IPEC) conducted a survey in 1996, which indicated 3.3(m) children between the ages of 5-14 years who were engaged in hazardous child labor in Pakistan. Child labor is another issue where state intervention has become necessary in the context of the rights of the child. The National Policy and Plan of Action on Child Labor focus on the immediate elimination of worst and most hazardous forms of child labor. National Centre (s) for Rehabilitation of Child Labor has been established countrywide since 1995. Children between the age of 5-14 years are weaned away from hazardous labor and enrolled in these centers where there are provided free education, clothing, footwear and stipend to the children as well as parents. The current strength of NCRCL centers is 100. 10200 students are benefiting from primary education in these centers. (Punjab 40, Sindh 25, NWFP+FATA 19, Balochistan 10, ICT/AJK&N.A 06). One additional centre shall be set up by the end of June, 2005.

Vocational Training Institutes/Dastkari Schools (VTIs)

8.6 Vocational Dastkari schools have been established through out the country including Azad Kashmir & Northern Areas since 1995. These schools are providing free training to

widows, orphans & poor girls in different skills. Current strength of the schools is 53 (Punjab 22, Sindh 10, NWFP+FATA 9, Balochistan 5 & ICT/AJK/N. Areas 7). Low income group of women are trained in various skills in these centers in two shifts of 30 students bi-annually. Presently 3106 students benefit from training in these schools. During the financial year 2003-04 one school in each province has been diversified and Rs 3 (m) has been allocated for each school, where training in different skills according to the requirement of the area are provided. One each Vocational Dastkari school shall be opened in the remaining districts of the country during next five years.

Management Information System (MIS)

8.7 Through MIS a database of 8.5 (m) poorest people (FSP beneficiaries) has been compiled. This is the only available computerized information of people living below the poverty line, which can be helpful for formulating other poverty alleviation programs. Systems such as; Food support Program Management System; Pay Roll Information System Web Based Accounting System; Pay Roll System; Time & Attendance System have been introduced. In phase-II computer network shall be expanded to all the Districts by the end of June, 2005.

New Project of the PBM

8.8 Jinnah Burn & Reconstructive Surgery Centre, Lahore.
On 21st March 2004, PBM, Health Department, Government of Punjab and Jinnah Hospital, Lahore, signed a memorandum of understating for construction of single purpose state of the art burn and reconstructive surgery centre in Lahore. PBM shall bear the cost of construction upto Rs. 150 (m). The foundation stone has been laid on 4th August, 2004. The construction of building shall be completed in next two years.

8.9 Resultantly PBM, which was only disbursing Rs 6.4 (m) to 2500 beneficiaries in the year 1992, has by now disbursed Rs. 17.5 (b) to almost 20 million beneficiaries. Similarly almost Rs 4.0 (b) benefiting 9.278 (m) (Annex 4) poor individuals throughout Pakistan, with administrative cost of only 3.8%. PBM therefore provides a helping hand to the marginalized poor people of the country.

Vision 2010

8.10 The vision 2010 includes:

- PBM, a vibrant national organization for dispensation to the poor.
- Capable of discharging mega projects for poverty alleviation.
- Strong and diversified institutional care and rehabilitation.
- Rehabilitation instead of dole.
- Use of NGO outlets to augment PBMs role in poverty reduction, through institutional rehabilitation.
- Compute razed environment to facilitate interfacing with other poverty reduction programs.

Table: 22 Pakistan Bait-ul-Mal programs (million Rs)

Year	IFA		Medical Treatment		Education stipend		Rehabilitation	
	No of beneficiaries	Amount						
FY2001/02	4316	20.69	348	10.42	444	0.74	4	0.05
FY200/03	11699	69.11	1155	37.94	408	1.48	1616	19.76
FY2003/04	14186	81.87	2774	115.72	3331	9.31	939	15.11
FYJuly-Dec 2004/05	7643	37.58	2129	79.08	1972	7.04	526	7.76

Table 23: Pakistan Bait-ul-Mal
Food Support Program
(Million Rs)

Province/region	July-December 2003		July-December 2004	
	Beneficiaries	Disbursements	Beneficiaries	Disbursement
Punjab	538,051	655.3	558,575	1,084.8
Sindh	230,665	264.4	238,795	367.1
NWFP & FATA	210,961	221.3	215,017	380.8
Balochistan	42,507	42.8	44,428	92.6
ICT, AJK & N. Areas	59,254	61.4	59,965	126.7
Total	1,081,438	1,245.2	1,116,780	2,052.0

9 Concluding Remarks

9.1 Poverty related expenditures have substantially increased over time; one thousand billion rupees has been spent on the pro-poor sectors during the last five years, reflecting the government commitment to poverty reduction. High economic growth with increase in pro-poor expenditure has contributed in reduction in unemployment rate through generation of additional employment opportunities. Under the PESRP, an improvement has observed in education related intermediate and output indicators. The MDG 2004 report has also indicated some improvement in health output indicators.

9.2 Despite reporting of these partial achievements in the social sector, monitoring system still appears to be inadequate to review the progress in MDG/PRSP indicators. The availability of the CWIQ will be a welcome addition in the monitoring system. The first CWIQ would be a great source for building the PRSP/MDG baseline data at the district level. Similarly the information systems developed by different departments and ministries may be strengthened to make the monitoring system more effective.

PROVISIONAL												
ANNEX 1: PRSP Budgetary Expenditures (2003-04 / 2004-05)												
	(Rs. Millions)											
	Q2 2003-04						Q2 2004-05					
	Federal	Punjab	Sindh	NWFP	Balochist	TOTAL	Federal	Punjab	Sindh	NWFP	Balochist	TOTAL
Roads highways, & Bridges	409	2,910	308	315	938	4,880	458	5,593	1,449	617	1,513	9,630
Current	409	821	17	26	75	1,348	458	832	53	50	81	1,474
Development	0	2,089	291	289	863	3,532	0	4,761	1,396	567	1,432	8,156
Water Supply & Sanitation	120	100	217	154	975	1,566	79	365	276	215	1,225	2,160
Current	55	21	117	147	241	581	79	40	115	167	303	704
Development	65	79	100	7	734	985	0	325	161	48	922	1,456
Education	5,920	21,926	8,101	5,347	2,380	43,674	6,139	26,187	8,990	6,601	2,107	50,024
Current	4,240	19,047	8,062	5,279	2,236	38,864	5,507	25,082	8,965	6,378	1,906	47,838
Development	1,680	2,879	39	68	144	4,810	632	1,105	25	223	201	2,186
Primary Education	629	14,007	3,891	2,368	923	21,818	695	12,113	4,144	2,979	702	20,633
Current	615	11,176	3,891	2,368	923	18,973	694	11,334	4,144	2,856	702	19,730
Development	14	2,831	0	0	0	2,845	1	779	0	123	0	903
Secondary Education	818	4,363	2,699	2,139	807	10,826	1,189	4,994	3,131	2,760	620	12,694
Current	769	4,319	2,698	2,111	807	10,704	1,076	4,840	3,131	2,686	620	12,353
Development	49	44	1	28	0	122	113	154	0	74	0	341
General Univesrities, Colleges, & Institutes	2,981	1,500	718	334	171	5,704	534	1,785	785	0	144	3,248
Current	1,603	1,500	718	334	171	4,326	415	1,742	785	0	144	3,086
Development	1,378	0	0	0	0	1,378	119	43	0	0	0	162
Professional & Technical Universities, Collegees & Institutes	720	325	390	235	91	1,761	162	287	423	707	129	1,708
Current	658	323	385	228	91	1,685	108	287	398	695	129	1,617
Development	62	2	5	7	0	76	54	0	25	12	0	91

Teacher & Vocational Training	28	708	45	14	40	835	0	709	45	11	46	811
Current	11	708	45	14	40	818	0	679	45	11	46	781
Development	17	0	0	0	0	17	0	30	0	0	0	30
Others	744	1,023	358	257	348	2,730	3,559	6,299	462	144	466	10,930
Current	584	1,021	325	224	204	2,358	3,214	6,200	462	130	265	10,271
Development	160	2	33	33	144	372	345	99	0	14	201	659
Health	2,198	4,421	1,798	1,060	591	10,068	2,988	5,132	1,915	1,564	675	12,274
Current	1,288	4,223	1,772	1,052	554	8,889	1,646	4,758	1,906	1,234	527	10,071
Development	910	198	26	8	37	1,179	1,342	374	9	330	148	2,203
General Hospitals & Clinics	917	3,813	1,514	909	209	7,362	1,360	4,281	1,601	1,248	269	8,759
Current	869	3,642	1,514	904	209	7,138	1,226	3,937	1,597	1,005	269	8,034
Development	48	171	0	5	0	224	134	344	4	243	0	725
Mother & Child Health	1	21	0	6	1	29	0	23	0	6	0	29
Current	1	21	0	6	1	29	0	23	0	6	0	29
Development	0	0	0	0	0	0	0	0	0	0	0	0
Health Facilities & Preventive Measures	1,040	38	129	44	55	1,306	1,401	68	164	78	180	1,891
Current	242	28	129	41	35	475	240	68	160	72	32	572
Development	798	10	0	3	20	831	1,161	0	4	6	148	1,319
Others	240	549	155	101	326	1,371	227	760	150	232	226	1,595
Current	176	532	129	101	309	1,247	180	730	149	151	226	1,436
Development	64	17	26	0	17	124	47	30	1	81	0	159
Population Planning	1,227	0	0	5	0	1,232	1,043	238	224	3	59	1,567
Current	72	0	0	5	0	77	96	0	0	2	59	157
Development	1,155	0	0	0	0	1,155	947	238	224	1	0	1,410

Social Security & Social Welfare	178	255	111	38	46	628	1,489	268	122	60	50	1,989
Current	116	247	111	35	45	554	1,393	264	122	57	46	1,882
Development	62	8	0	3	1	74	96	4	0	3	4	107
Natural Calamities & Other Disasters	275	31	97	0	5	408	162	15	62	0	3	242
Irrigation	3,923	1,715	1,421	368	1,161	8,588	6,782	2,031	1,783	410	1,510	12,516
Current	34	1,434	918	328	870	3,584	81	1,578	913	355	1,005	3,932
Development	3,889	281	503	40	291	5,004	6,701	453	870	55	505	8,584
Land Reclamation	13	29	800	0	0	842	45	38	752	241	0	1,076
Rural Development	237	3,687	642	142	506	5,214	558	4,793	556	596	206	6,709
Current	23	107	519	28	100	777	352	190	125	90	51	808
Development	214	3,580	123	114	406	4,437	206	4,603	431	506	155	5,901
Law and Order	5,498	5,077	3,634	1,326	1,024	16,559	6,807	7,545	4,066	1,648	1256	21,322
Low Cost Housing	0	21	0	0	0	21	0	229	0	0	0	229
Justice and Courts	142	470	241	123	83	1,059	240	556	269	198	123	1,386
Food Subsidies	32	2,000	0	0	0	2,032	520	0	500	40	0	1,060
Food Support Program	62	655	264	221	43	1,245	127	1,085	367	381	93	2,053
Village Electrification*	529					529	371					371
Tawana Pakistan							59					59
GRAND TOTAL	20,763	43,297	17,634	9,099	7,752	98,545	27,867	54,075	21,331	12,574	8,820	124,667

* Federal releases to Mo Water and Power and WAPDA,
In Balochistan, two districts of Uthal and Turbat not included

Annex 2: Average utilization rate of FLCF/Day/(Curative)
& hospitals

Province/region	Oct-Dec 2002	Oct-Dec 2003	Oct-Dec 2004
Punjab	142	148	Data not available
Sindh	160	172	170
Balochistan	251	197	215
NWFP & FATA	61	75	79
AJK	93	98	97
NA	79	94	96
ICT	28	26	29
Total	131	130	112

Annex 3: Pakistan Millennium Development Goals

Indicators	1990/91	2000/01	2002/03	2005/06 PRSP targets	2011 Perspective plan targets	2015 MDG targets
Goal 1:	Eradicating extreme poverty and hunger					
Target 1:	Half, between 1990 and 2015, the proportion of people below the poverty line					
Proportion of population below the calorie based food plus non-food poverty line ¹	26.10%	32.10%	-	28.00%	15.00%	13.00%
Target 2:	Half, between 1990 and 2015, the proportion of people who suffer from hunger					
Prevalence of underweight children under 5 years of age ²	40.00%	41.50%	-	33.00%	28.00%	<20%
Proportion of population below minimum level of dietary energy consumption ³	25.00%	30.00%	-	-	15.00%	13.00%
Goal 2:	Achieving Universal Primary Education					
Target 3:	Ensure that by 2015 children everywhere, boys and girls alike, will be able to complete a full course of primary schooling					
Net primary enrolment ratio (%) ⁴	46.00%	51.00%	-	58.00%	91.00%	100.00%
Completion/survival rate to grade 5 (%) ⁵	Approx 50%	68% (M: 72, F:65)	72.00%	79% (M: 82, F:76)	-	100.00%
Adult literacy rate (%) ⁶	36.3% (M:50, F:21)	50.5% (M:63, F:38)	54% (M:66, F:42)	59.5% (M:70, F:49)	78% (M:88, F:67)	88% (M:89, F:87)
Goal 3:	Promoting gender equality and women empowerment					
Target 4:	Eliminate gender disparity in primary and secondary education by 2005 and to all levels of education no later than 2015					
Gender parity index (GPI) for primary, secondary and tertiary education ⁷	Primary: 0.51 secondary:0.50 tertiary:0.46	Primary: 0.57 secondary:0.64 tertiary:0.78	Primary: 0.57 secondary:0.64 tertiary:0.78	0.73	-	Primary:1.00 secondary:0.94
Youth literacy GPI ⁸	0.51	0.65	0.65	0.7	-	1.00

Share of women in wage employment in the non-agricultural sector ⁹	8.70%	8.90%	-	-	-	14.00%
	National Assembly 2/217=0.9%	National Assembly 72/342=21%	National Assembly 72/342=21%	-	-	-
Proportion of seats held by women in national parliament ¹⁰	Senate:1/87=1%	Senate:17/100=17%	Senate:17/100=17%	-	-	-
Goal 4:	Reducing Child Mortality					
Target 5:	Reduce by two third, between 1990 and 2015, the under-five mortality rate					
Under 5 mortality rate ¹¹	140	105	103	80	65	52
Infant mortality rate ¹²	102	77	75	63	50	40
Proportion of fully immunised children 12-23 months ¹³	75.00%	53.00%	55.00%	82.00%	90.00%	>90%
Proportion of under 1 year children immunised against measles ¹⁴	80.00%	57.00%	57.00%	80.00%	90.00%	>90%
Prevalence of underweight children (under 5 years of age) ¹⁵	40.00%	41.50%	40.00%	33.00%	28.00%	<20%
Proportion of children under five who suffered from diarrhoea in the last 30 days and received ORT ¹⁶	n/a	45.00%	40.00%	40.00%	20.00%	<10%
Lady Health Workers' coverage of target population ¹⁷	n/a	33.60%	55.00%	83.00%	92.20%	100.00%
Goal 5:	Improving Maternal Health					
Target 6:	Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio					
Maternal mortality ratio ¹⁸	550	350	350-400	300-350	180	140
Proportion of births attended by skilled birth attendance ¹⁹	18.00%	40.00%	40.00%	75.00%	90.00%	>90%
Contraceptive prevalence rate ²⁰	12.00%	30.00%	33.00%	41.70%	53.00%	55.00%
Total fertility rate ²¹	540.00%	410.00%	390.00%	376.00%	250.00%	210.00%
Proportion of women 15-49 years who had given birth during last 3 years and made at least one antenatal care consultation ²²	15.00%	31.00%	35.00%	50.00%	75.00%	100.00%
Goal 6:	Combating HIV/AIDS, Malaria and other diseases					
Target 7:	Halve halted by 2015 and begun to reverse, the spread of HIV/AIDS					
HIV prevalence among 15-24 year old pregnant women	n/a	n/a	n/a	n/a	n/a	Baseline to be reduced by 50%
HIV prevalence among vulnerable group (e.g. active sexual workers)	n/a	0.03%	n/a	n/a	n/a	Baseline to be reduced by 50%
Target 8:	Have halted by 2015 and begun to reverse, the incidence of malaria and other major diseases					
Proportion of population in malaria risk areas using effective malaria prevention and treatment measures ²³	n/a	20%	25%	25%	n/a	75%

Incidence of tuberculosis per 100,000 population ²⁴	n/a	177	177	133	n/a	45
Proportion of TB cases detected and cured under DOTS (Direct Observed Treatment Short Course) ²⁵	n/a	25%	27%	70%	n/a	85%
Goal 7:	Ensuring environmental sustainability					
Target 9:	Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources					
Forest cover including state owned and private forest and farmlands ²⁶	4.80%	4.80%	4.80%	5.00%	5.70%	6.00%
Land area protected for the coservation of wildlife ²⁷	9.10%	11.25%	11.26%	11.30%	11.50%	12.00%
GDP (at constant factor cost) per unit of energy use as a proxy for energy efficiency ²⁸	26,471	27,047	27,141	27,300	27,650	28,000
No. of vehicles using CNG fuel ²⁹	500	280,000	370,000	n/a	812,000	920,000
Sulhpur content in high speed diesel (as proxy for ambient air quality) ³⁰	1.00	1.00	1.00	n/a	n/a	0.5 to 0.25
Taret 10:	Halve by 2015, the proportion of people without sustainable access to safe drinking water					
Proportion of population (urban and rural) with sustainable access to a safe (improved) water source ³¹	53%	63%	64%	70%	84%	93%
Target 11:	Have achieved by 2020, a significant improvement in the lives of slum dwellers					
Proportion of population (urban and rural with access to sanitaion) ³²	30%	40%	41%	55%	63%	90%
Proportion of katchi abadis regularised ³³	n/a	50%	51%	60%	75%	95%

Source: Pakistan Millennium Development Goals Report 2004

¹ Head-count index based on the official poverty line of Rs 748.6 per capita per month, based on 2000-01 prices and 2350 minimum caloric requirement

² Proportion of children under 5 years who are underweight for their age

³ Proportion of population below 2350 calories per day of food intake (Food poverty line)

⁴ Number of children aged 5-9 years attending primary level classes i.e., 1-5 divided by the total number of children aged 5-9 year, multiplied by 100

⁵ Proporiton of students who complete their studies from grade 1 to grade 5

⁶ Proporiton of people aged 10+ years who can read and write with understanding

⁷ Proportion of girls enrolment at primary, secondary and tertiary levels in comparison with boys

⁸ Proportion of females as compared with boys aged 15-24 who can read and write

⁹ The share/proportion of women employed in non-agricultural wage sector

¹⁰ Proportion of seats held by women in the national parliament

¹¹ No. of deaths of children under five years of age per thousand live births

¹² No. of deaths of children under 1 year of age per thousand live births

¹³ Proportion of children of 12 to 23 months of age who are fully vaccinated against EPI target diseases

¹⁴ Proportion of children 12 months of age and received measels vaccine

- ¹⁵ Proportion of children under 5 years who are underweight for their age
- ¹⁶ Proportion of children under 5 years who passed more than 3 watery stools per day and received ORS (treated with oral rehydration salt)
- ¹⁷ Households covered by Lady Health Workers for their health care services
- ¹⁸ No of mothers dying due to complications of pregnancy and delivery per 100,000 live births
- ¹⁹ Proportion of deliveries attended by skilled health personnel (Mos, midwives, LHVs)
- ²⁰ Proportion of eligible couples for family planning programmes using one of the contraceptive methods
- ²¹ Average number of children a woman delivered during her reproductive age (15-49)
- ²² Proportion of women (15-49) who delivered during the last 3 years and received at least one antenatal care during their pregnancy period from either public/private care provider
- ²³ Proportion of population living in 19 high risk districts of Pakistan having access and using effective malaria prevention and treatment as guided in roll back malaria strategy
- ²⁴ Total number of new cases of TB reported
- ²⁵ Proportion of TB cases detected and managed through DOTS strategy
- ²⁶ Forest cover including state owned and private forest and farmlands, as percentage of the total land area
- ²⁷ Land area protected as percentage of total land area
- ²⁸ Value added (in Rs)per ton of oil equivalent
- ²⁹ No of petrol and diesel vehicles using CNG fuel
- ³⁰ Percentage of sulphur (by weight)in high speed diesel
- ³¹ Percentage of population with access to piped water
- ³² Percentage of population with access to sewerage and drainage
- ³³ Katchi abadis regularised as percentage of those identified by the cut-off date of 1985

Annex 4: Number of beneficiaries under the projects/schemes of Pakistan Bait-UI-Mal

Projects/schemes	Punjab	Sindh	NWFP	Balochistan	ICT, AJK & NA	Total
Food Support Programme	4,379,200	1,822,400	1,536,800	319,600	442,000	8,500,000
Individual Financial Assistance	39,800	25,731	14,538	11,478	9,758	101,305
National Centre for Rehabilitation of Child Labour	3,900	2,760	1,860	1,080	600	10,200
Vocational Training Institutes/Dastakari Schools	1,369	643	590	294	450	3,346
Institutional Rehabilitation	352,099	3,319	182,421	3,223	123,302	664,364
Total	4,776,368	1,854,853	1,736,209	335,675	576,110	9,279,215