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Executive Summary

The PRSP Annual Report for FY2016/17 comprises five chapters. The first chapter of the report sheds light on the progress of key economic indicators during FY2016/17. Chapter 2 of the report focuses on the progress of 17 pro-poor sectors identified under PRSP-II document. The third chapter discusses progress made under social safety nets programmes. Chapter four provides performance of PRSP Output Indicators. The progress made under the Sustainable Development Goals (SDGs) has been discussed in the fifth chapter.

Pakistan's economic performance remained robust during fiscal year 2016-2017 (FY17) as growth continued to accelerate, reaching its highest level in the last decade, while inflation stayed well below target. Growing fiscal and external imbalances, however, have eroded hard-earned gains in restoring macroeconomic stability in the last three years and they could affect the country's growth prospects if not addressed. The fiscal deficit expanded to its highest level during the last three years as revenue mobilization weakened and expenditures rose at both provincial and federal levels. Simultaneously, the external account deteriorated sharply due to widening trade deficit and fall in international remittances.

The assessment shows the economy is likely to continue to expand with low and stable inflation in FY18. Encouraging trends in private sector credit indicate underlying dynamics in real economic activity. However, maintaining this momentum, going forward, would largely depend on addressing emerging challenges in external and fiscal accounts.

The overall PRSP expenditures in terms of GDP have increased to 9.50 percent of GDP in FY2016/17 from 8.72 percent in FY2015/16. The PRSP development expenditures as percentage of GDP increased to 4.00 percent from 3.44 percent during the previous year. PRSP current expenditures, however, declined to 5.00 percent from 5.28 percentage of GDP. Proportional distribution of expenditures in pro-poor sectors reflected a similar pattern. Education held the largest share of 23.09 percent in total PRSP expenditures during FY16/17. It was followed by Roads, Highway & Bridges, recording a share of 17.38 percent. Law & Order recorded a share of

11.77 percent in total expenditures. Health and Agriculture subsectors depicted an increase in their shares during the period under review.

Safety Net in the form of direct cash transfers and other services include both budgetary and non-budgetary programmes. Budgeted Social Safety Net Programmes includes Benazir Income Support Programme (BISP), Pakistan Bait-ul-Mal (PBM) and Social Security & Welfare. Zakat, Employees Old-age Benefit Institution (EOBI) and Workers Welfare Fund (WWF) constitute the non-budgetary part of pro-poor expenditures. Microfinance by specialized financial institutions is another tool that provides micro finance facilities to the needy poor. Disbursements under social safety net programme observed a positive trend with regards to both the number of beneficiaries and the amount disbursed. During FY17, the total amount disbursed under different programmes, including budgetary and non-budgetary transfers, increased by 35 percent from Rs. 184,405 million to Rs. 248,814 million.

PRSP-II Intermediate Output Indicators include education, health, environment, energy development, employment, and People Work's Programme. Various variables have been identified against these areas to assess performance in the social sector. During FY17, indicators under health and education showed improvement.

A total of 129,608 schools were functional in FY17 against 130,621 in FY16 registering a decrease of 0.78 percent. During the same period, the number of primary functional schools decreased marginally by less than 1 percentage point whereas middle level functional schools witnessed a growth of 0.56 percent.

The population covered by Lady Health Workers (LHWs) increased in urban areas and slightly declined in rural areas in the province of Punjab. In KPK, an overall positive trend was observed. In AJK, FANA and FATA, the population covered by LHWs observed slightly decline in rural areas. The decrease in population covered by LHWs was due to decline in strength of LHWs after regularization.

The priority areas for Pakistan under the Sustainable Development Goals (SDGs) and PRSP are similar. These include eradication of poverty and hunger, sustainable and inclusive growth, quality education and health services for all, affordable and accessible energy for all, food and water security, resilient infrastructure, decent and productive employment, access to justice, and climate change. The same are part of the long-run policy road map, Pakistan Vision 2025 and 11th Five Year Plan (2013-18).

Chapter no.1 Macroeconomic Indicators

1.1 Pakistan Selected Economic Indicators:

1.1 The real GDP growth in FY17 was the highest during last ten years. Strong domestic demand, led by recovery in agriculture and robust services sector drove growth but fiscal and external pressures also grew. While expansion in public debt was marginal and inflation remained well-anchored despite trending upward, Pakistan's growth outlook is positive, which is contingent on maintaining macroeconomic stability.

Table 1.1 Pakistan Selected Economic Indicators		
	FY15/16	**FY16/17**
Growth rate (percent)		
Real GDP	4.5	5.3
Agriculture	0.3	3.5
Industry	5.8	5.0
Services	5.5	6.0
Consumer Price Index (CPI)	2.9	4.2
		As percentage of GDP
Current Account Deficit	-1.7	-4.0
Fiscal Deficit	-4.6	-5.8
Gross Fixed Investment	15.6	15.8
Gross National Saving	14.2	13.1
Public Debt (FRDL Act definition)	67.6	67.2
Source: Pakistan Economic Survey FY15/16/SBP Annual Report FY15/16		

1.2 Pakistan's economic growth outlook is favorable, with real GDP estimated at 5.3 percent in FY17. From demand side, major contribution came from surge in domestic consumption followed by a moderate increase in Gross Fixed Investment. Favorable macroeconomic policies continued to support expansion of the economy. Due to China Pakistan Economic Corridor (CPEC), investments improved from 15.6 to 15.8 percent of GDP.

1.3 Within industry, major support came from improvement in manufacturing and construction activities. Agriculture and Services sectors showed significant improvement from 0.3 percent to 3.5 percent and from 5.5 percent to 6.0 percent, respectively. The impetus to economic activity particularly came from an accommodative monetary policy and the consequent increase in private sector credit, especially for fixed investment; recovery in farm incomes; a steady increase in development spending, and continuing work on infrastructure and energy sector projects under CPEC. Inflation has been gradually increasing from 2.9 percent to 4.2 percent. The increase in inflation during FY17 was largely due to higher food inflation, especially the increase in prices. The actual inflation at 4.2 percent was much lower than the target of 6.0 percent for FY17.

1.4 The real economic activity also benefitted from tax incentives provided by the government during the last two years to support exporting industries, agriculture and private investment. These fiscal measures, nevertheless, have led to an increase in budget deficit in FY17 from 4.6 percent to 5.8 percent of GDP. The current account deficit has widened to 4 percent of GDP in FY17, driven by rising imports of capital goods and energy sector equipment/materials. Foreign exchange reserves have declined in the context of a stable rupee/dollar exchange rate.

1.2 Agriculture Sector

1.5 Agriculture sector (20 percent of GDP) grew by 0.3 percent in FY16 as the cotton crop production fell by almost 30 percent. This year, the sector was turned around, meeting the 3.5 percent target as plantings switched to sugarcane and combined with sugar reserves and high support prices, translated into positive sugar export prospects.

1.6 Cotton also grew by 7.6 percent despite falling cultivation area under cotton, accompanied by a bumper wheat crop of 25.8 million tons. Overall, important crops grew at a higher rate than expected – 4.1 percent compared to a decline of 5.5 percent in FY16. This revival received impetus from enabling key policy measures such as fertilizer subsidy, tax relief and better access to credit. Livestock grew at the same rate of 3.4 percent as last year, cotton ginning at 5.6 percent (-22 percent in FY16), and forestry at 14.5 percent (14.3 percent in FY16), while fishing fell by 2 percentage points to 1.2 percent in FY17.

Table 1.2 Agriculture Growth Percentages (Base = 2005-06)		
	FY15/16	**FY16/17**
Agriculture	0.3	3.5
Crops	-5.0	3.0
Major Crops	-5.5	4.1
Minor Crops	0.6	0.2
Cotton Ginning	-22.1	5.6
Livestock	3.4	3.4
Forestry	14.3	14.5
Fishing	3.2	1.2
Source: Pakistan Economic Survey FY15/16		

1.3 Industrial Sector

1.7 The industry sector (20 percent of GDP) grew by 5 percent, lower than 7.7 percent target and 5.8 percent growth rate in FY16. Mining and quarrying growth fell to 1.3 percent (7 percent in FY16), while construction decreased to 9 percent (14.6 percent in FY16). Electricity and gas generation and distribution grew by only 3 percent (8 percent in FY16), mainly because the generation declined. Manufacturing, the largest component of industrial sector, grew by 5.3 percent (3.7 percent in FY16) with 5 percent growth in large-scale manufacturing (LSM) (3 percent in FY16) given strong growth in sugar, steel products, electronics, and tractors.

Table 1.3: Industrial Sector Growth rates (in percentage)			
	Share in GDP FY16/17	**Growth in FY15/16**	**Growth in FY16/17**
Industry	**20.9**	**5.8**	**5.0**
Mining & quarrying	2.9	6.9	1.3
Manufacturing	13.4	3.7	5.3
Large scale	10.7	2.9	4.9

Small scale	1.8	8.2	8.2
Slaughtering	0.9	3.6	3.6
Elect gen & dist. and gas dist.	1.8	8.4	3.4
Construction	2.7	14.6	9.0
Source: Pakistan Economic Survey FY15/16			

1.4 Services Sector

1.8 Services sector (60 percent of GDP) is the most sustainable component of growth, recording expansion at 6 percent in FY17 against a target of 5.7 percent and 5.5 percent growth last year. This growth is broad-based, reflecting vibrancy in several sub-sectors: *wholesale and retail trade* (6.8 percent compared to 4.3 percent in FY16) recovered as agriculture and manufacturing rebounded and trade activities increased; *finance and insurance* (11 percent compared to 6 percent in FY16) also picked up as private sector credit increased, accompanied by government debt retirement to commercial banks. *General government services* growth rate (7 percent compared to 10 percent in FY16) reflected rising public sector wages while subdued *transportation*, *communication and storage* (4 percent compared to 4.8 percent last year) indicated (i) constrained growth of Pakistan Railways and Pakistan International Airlines (PIA), (ii) contraction in the production and sale of commercial vehicles, (iii) higher Internet and mobile subscriptions, and (iv) lucrative real estate schemes.

Table 1.4 Growth rates in Services Sector (In percentage)

	Share in GDP FY17	**Growth in FY15/16**	**Growth in FY16/17**
Services	**59.6**	**5.5**	**6.0**
Wholesale and retail trade	18.5	4.3	6.8
Transport, storage and communication	13.3	4.8	3.9
Finance and insurance	3.4	6.1	10.8
Housing services	6.6	4.0	4.0
General government services	7.6	9.7	6.9
Other private services	10.2	6.8	6.3
Source: Pakistan Economic Survey FY15/16			

1.5 Inflation

1.9 Domestic demand experienced further recovery in FY17 due to increase in domestic consumption. Despite this increase in domestic demand, headline inflation rose moderately to 4.2 percent over the year, staying below the target of 6 percent for the third consecutive year. This also reflects better domestic supply situation, which helped keep headline inflation in check. Recovery in domestic demand is also evident from gradually increasing non-food-non-energy (NFNE) inflation in FY17. However, it too remained well below levels of recent years.

Table 1.5: Percent Change in Price Indices (July-June) Period Average		
Index	**FY15/16**	**FY16/17**
CPI	2.86	4.16
SPI	1.31	1.57
WP1	-1.05	4.04
Source: Pakistan Bureau of Statistics		

1.10 The increase in headline inflation was broad-based in FY17 as around 80 percent of the items in the consumer price index (CPI) basket recorded increase over FY16 price levels. This translated into a 3.8 percent increase in food inflation and 4.4 percent in non-food inflation in FY17. The slight increase in headline inflation toward the end of FY17 was driven by a recovery in international oil and commodity prices. This pushed Year-on-Year (Y-o-Y) inflation to 5 percent in May 2017 before it dipped in June 2017 due to downward revision in petrol prices.

1.11 CPI inflation increased by 4.2 % on Y-on-Y basis in June 2017 as compared to 2.86% in June 2016. SPI inflation on YoY increased by 1.57% in June 2017 as compared to increase of 1.31% in June 2016. WPI inflation on YoY basis increased by 4.04 % in June 2017 as compared to decrease of 1.05% in June 2016.

1.6 Fiscal Balance

1.12 Pakistan registered a consolidated fiscal deficit (excluding grants) of 5.8 percent of GDP in FY17–2.0 percentage points higher than the target set at the start of the year and 1.2 percentage points higher than that of the previous year. At this level, FY17 saw a reversal of the gains in fiscal consolidation which was witnessed since FY13. This is particularly true for FY17 as the primary deficit (excluding grants) increased to 1.6 percent of GDP, up from 0.3 percent in FY16.

1.13 Total revenues during FY17 recorded a lower growth of 11.0 percent despite healthy collection in federal non-tax revenues. This was primarily due to timid growth in federal tax collection (responsible for 90 percent of total tax revenues). On the other hand, total expenditures registered a sizeable jump of 17.3 percent. Recurrent spending played its part to some extent but the main driver was a 30 percent increase in development expenditures. To put this in perspective, provincial development spending increased by 44 percent over the previous year – the highest increase in Pakistan's history.

1.14 FBR collection amounted to Rs. 3,361 billion, equal to 93 percent of the FY17 revenue target. The shortfall was broad-based and equaled almost Rs. 260 billion (or 0.8 percent of GDP). The lower collection was, in part, a result of relief measures and tax incentives introduced through federal budget for FY17 to boost investment, exports, and domestic production in the economy. On the other hand, the taxes collected by provincial governments grew by 13.6 percent during FY17, although this was lower than the 37.6 percent growth seen in FY16. Non-tax revenues increased by 23 percent to Rs. 967 billion after a contraction of 14 percent in FY16.

1.15 The fiscal sector of the economy has witnessed a notable improvement on account of contained expenditures and increase in provincial tax collection. The budget deficit has witnessed a substantial decline from 8.2 percent of GDP in FY14 to 5.3 in FY15 in response to the efforts undertaken by the government to reduce power sector subsidies and other expenditure cuts together with raising tax revenues. During FY16, fiscal deficit was further contained at 4.9 percent of GDP against the target set at 4.3 per cent. The fiscal deficit for FY17 is planned to be further brought down to 3.5 percent of GDP. Table 1.6 shows key fiscal indicators.

Table 1.6: Fiscal Indicators as Percentage of GDP		
	FY16/17	**FY17/18**
Overall Fiscal Deficit	**-4.6**	**-5.8**
Total Expenditure	**19.9**	**21.3**
Current Expenditure	16.1	16.3
Development Expenditure	4.5	5.3
Total Revenue	**15.3**	**15.5**
Tax Revenue	12.6	12.5
Non-Tax Revenue	2.7	3.0
Source: SBP Annual Report-Statistical Supplement FY16		

1.16 The total expenditures of the consolidated government grew considerably during FY17 on the back of increased spending, both recurrent and development. After having kept a tight rein for the last three years, the federal government increased its recurrent expenditures by 10.4 percent in FY17. More prominently, defense as well as public order and safety expenditures increased significantly as a result of augmented security-related spending. Pensions grew by 36.5 percent and interest payments by a modest 6.7 percent during FY17, whereas federal grants to SOEs declined by almost Rs. 10 billion.

1.17 Both federal and provincial governments increased their development expenditures to record levels. Spending under the Public Sector Development Programme (PSDP) by both tiers of the government amounted to Rs. 1,578 billion, surpassing the revised estimates by Rs. 39 billion for the first time since FY14. In addition, other development expenditures (of which Benazir Income Support Programme is the main component) maintained the same level of Rs. 116 billion during FY17. The federal PSDP grew by 22 percent during FY17 – almost at the same level of growth seen last year. However, the uptake was more pronounced in the last quarter. Moreover, the provincial governments increased their PSDP spending by 44 percent in FY17 compared to 19 percent last year. The provincial spending levels in Q4 FY17 of about Rs. 430 billion are slightly higher than the development expenditure of Rs. 423 billion spent by the provinces in the first three quarters collectively.

1.18 As of end-June 2017, the total public debt stood at 68.1 percent of GDP – 0.5 percentage point lower than the June 30, 2016 stock of 68.6 percent.

1.7 External Account

1.19 Pakistan's external account position experienced a considerable slide in FY17 due to substantial widening of current account deficit, which has resulted in the decline of international reserves by US$ 1.7 billion during FY17, after rising for 3 years in a row. Despite this decline, the official exchange rate remained stable in FY17. The current account dynamics deteriorated on the back of a large trade deficit driven by rapid increase in imports, coupled with another year of weak export performance. The increase in imports came on account of higher fuel, food, machinery, and transport group imports driven by strong domestic demand which grew by 17.8 percent and reached a record level of US$ 48.6 billion. Decline in remittances for the first time in a decade also aggravated the current account deficit.

Table 1.7 Summary of External Accounts (July to June)

	FY16/17	**FY17/18**
	Billion US dollars	
Current Account balance	**-4.9**	**-12.1**
i) Trade balance	**-19.3**	**-26.9**
Exports	22.0	21.7
Imports	41.3	48.6
ii) Services account Balance	**-3.4**	**-3.6**
iii) Income Account Balance	**-5.3**	**-4.8**
Worker's Remittances	19.9	19.3
SBP liquid Reserves	18.1	16.1
Exchange rate (period average) (Rs/US$)	104.69	104.79

Source: SBP Annual Report-Statistical Supplement FY16

1.20 The additional stress on import bill came from steady progress on CPEC-related power and road construction projects. The current account deficit for FY17 swelled to 4.1 percent of GDP (US$12.4 billion), compared to 1.7 percent of GDP in the last year – the highest level since FY08. A large trade deficit proved to be the key driver of this imbalance, which jumped to

US$26.9 billion (8.7 percent of GDP) compared to US$19.3 billion (6.9 percent of GDP) last year, on the back of declining exports and higher import growth. Declining remittances and CSF inflows exacerbated the current account deficit. Exports continued to shrink for a third consecutive year in FY17. Imports after having slowed down in FY16, accelerated in FY17, growing by 17.6 percent (Y-o-Y). This resulted in substantial widening of the trade deficit from 6.9 percent in FY16 to 8.7 percent in FY17. In addition, remittances declined by 2.8 percent (Y-o-Y) after an almost decade long run of consecutive growth. The imbalance was further affected by widening of services account deficit in FY17 compared to the previous year, due to lower CSF inflows.

1.21 While exports declined in FY16 as a result of lower prices, the quantum effect caused a marginal decline in export earnings in FY17. The decline was broad based; its major contributors were food and textiles, which constitute about 75 percent of Pakistan's exports. Food group exports declined by 3.0 percent, whereas the textiles group declined by 2.4 percent in FY17. The latter's weak performance is a worrying sign as Pakistan's competitors, including Bangladesh and Vietnam, have benefited from recovery in international prices and better global demand in 2017.

1.22 The disaggregated data reveals that the decline in textile exports was mostly driven by the weak performance of low-value-added sectors, which include cotton yarn, cotton cloth, carded cotton, raw cotton, and others. Pakistan's export performance has been particularly lackluster in recent years as it has lost 1.5 percent of its export market share annually over the past decade. The country's weak export performance is an outcome of inadequate trade facilitation, logistics, and infrastructure; worsening investment climate, and protectionist and discretionary trade policy.

1.23 Remittances, after growing for more than a decade, experienced a contraction of 2.8 percent in FY17. Remittances from the Gulf Cooperation Council (GCC) countries, which accounted for 63 percent of the total remittances in FY17, have started to contract due to decline in public investment in these economies as oil prices have only mildly recovered. Flows from GCC countries decreased by 5.0 percent in FY17, compared to an increase of 6.0 percent in FY16. Remittance flows from the UK and US – which contributed 25 percent to the total remittances in FY16 – experienced a slowdown during FY17, falling by 9.2 percent and 2.8 percent, respectively. Remittances from the UK took a hit as the pound sterling depreciated substantially in the aftermath of Brexit, before partially recovering against US dollar.

1.24 Despite substantial decline in international reserves, the nominal exchange rate remained largely steady with a mild depreciation of 0.2 percent against US dollar during FY17. A stable nominal exchange rate with US dollar and low inflation resulted in the Real Effective Exchange Rate (REER) appreciating by 3.4 percent during FY17. This appreciation contributed to widening external financing gap and decline in international reserves. Cumulatively, the REER has appreciated by 13 percent over the last three fiscal years.

Chapter 2 Pro-Poor Budgetary Expenditures

2.1 Pro-poor Budgetary Expenditures

2.1 Significant spending under pro-poor sectors clearly reflects the government's resolve towards following a sustainable poverty reduction strategy by allocating higher resources for social and poverty related sectors.

2.2 The overall PRSP expenditures in terms of GDP have increased to 9.50 percent of GDP in FY17 from 8.72 percent in FY16. The PRSP development expenditures as percentage of GDP increased to 4.00 percent from 3.44 percentage of GDP during the previous year. PRSP current expenditures however declined to 5.00 percent from 5.28 percentage of GDP.

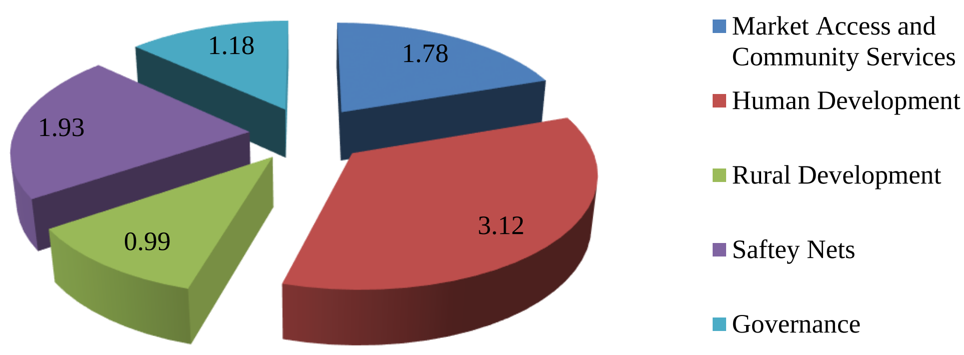
Table-2.1 Total PRSP Current and Development expenditures for FY2016 and FY2017

Fiscal Year	Expenditures (Rs. Millions)			GDP(mp)	As Percentage of GDP		
	Current	Development	Total		Current	Development	Total
FY 2015-16	1,632,212	1,062,366	2,694,578	30,886,748	5.28	3.44	8.72
FY 2016-17	1,681,509	1,346,157	3,027,666	33,634,411	5.00	4.00	9.00
Percentage change	3.02	26.71	12.36				

Source: PRSP Secretariat, Finance Division, Islamabad.

2.3 The following figure gives comparison of broad categories of PRSP Expenditures. The pie chart clearly indicates that the government spent 3.12 percent of GDP on Human Development which encompasses Health, Education and Population Planning. The share of Safety Nets sector, in terms of GDP, was recorded at 1.93 percent in FY17. Share of Market Access sector was recorded at 1.78 percent of GDP followed by Governance and Rural Development at 1.18 percent and 0.99 percent, respectively.

Figure 2.1 Camparison of Broad Categories as Percentage of GDP



2.2 Distribution of Expenditures:

2.4 Table 2.2 depicts distribution of expenditures in pro-poor sectors by federal and provincial governments. The total PRSP expenditures increased by 12.36 percent from Rs.2,694,578 million in FY16 to Rs.3,027,666 million in FY17. Federal expenditures increased by 11.03 percent and provincial expenditures increased by 13.02 percent. This was mainly due to promulgation of the 18th Constitutional Amendment and the 7th NFC Award under which the federal government has transferred bulk of subjects as well as resources to the provinces.

Table 2.2 PRSP Exp in Provinces and Federal area in FY15/16 and FY16/17

Years	Federal	Provinces	Total
FY15/16	895,753	1,798,825	2,694,578
FY16/17	994,586	2,033,080	3,027,666
% increase	**11.03**	**13.02**	**12.36**

2.5 Positive trends were observed in all subsectors which contributed to overall increase in expenditures. According to figures given in table 2.3, expenditures under Market Access and Community Services depicted a significant growth of 29.8 percent in FY17. This increase was witnessed on account of 32.41 percent increase in expenditures on Roads, Highways & Bridges and a noticeable growth of 13.34 percent in expenditures on Environment/ Water Supply & Sanitation.

2.6 The expenditures in the Human Development recorded an encouraging trend. Education and Health sectors exhibited substantial growth in expenditures of 5.41 percent and 22.8 percent respectively. Similarly, a significant growth of 86.7 percent was observed in Population Planning during the comparison period.

2.7 In Rural Development, positive growth of 8.11 percent was observed in Agriculture only, while on the other hand, Land Reclamation and Rural Development showed a negative trend in FY17 when compared to FY16.

Table-2.3 PRSP Sectoral Budgetary Expenditures and Percentage Changes Between FY 2015-16 and FY 2016-17

Sector	**Expenditure (Rs. millions)**		**Percentage Change**
	FY 2015-16	**FY 2016-17**	
Market Access and Community Services	**461,060**	**598,387**	**29.79**
Roads, Highways, & Bridges	397,506	526,356	**32.41**
Environment/Water Supply & Sanitation	63,554	72,031	**13.34**
Human Development	**942,203**	**1,048,522**	**11.28**
Education	663,356	699,222	**5.41**
Health	267,953	328,962	**22.77**
Population Planning	10,894	20,338	**86.69**
Rural Development	**301,939**	**334,388**	**10.75**
Agriculture	239,019	258,396	**8.11**
Land Reclamation	4,601	2,558	**-44.40**
Rural Development	37,419	30,934	**-17.33**
Safety Nets	**649,383**	**648,226**	**-0.18**
Subsidies	437,087	403,139	**-7.77**
Social Security & Welfare	48,346	106,850	**121.01**
SDGs Community Programme	20,900	42,500	**103.35**
Benazir Income Support Programme	100,914	107,058	**6.09**
Pakistan Bait-ul-Maal	3,372	3,296	**-2.25**
Natural Calamities & Other Disasters	59,204	27,461	**-53.62**
Low Cost Housing	460	422	**-8.26**
Governance	**339,993**	**398,143**	**17.10**

Justice Administration	33,255	41,926	**26.07**
Law and Order	306,738	356,217	**16.13**
GRAND TOTAL	**2,694,578**	**3,027,666**	**12.36**

Source: Civil Accounts provided by Accountant General's office.

2.8 Under Safety Nets, two sub-sectors Social Security & Welfare and SDGs community Programme observed a substantial growth of 121 percent and 103 percent respectively. Benazir Income Support Programme also exhibited a positive growth of 6.09 percent. Meanwhile, remaining sub-sectors recorded a decline during the comparison period. Decline in Subsidies can be explained by the government's concerted efforts to move away from broad subsidization and provide direct assistance to the poor and deserving.

2.9 The growth in Governance related expenditures reflected a positive trend as recorded in Justice Admin and Law and Order. Expenditures in these two categories observed a growth of 26 percent and 16 percent respectively during FY17.

2.3 Comparison of Proportional Contribution by Sector

2.10 Proportional distribution of expenditures in pro-poor sectors reflected a similar pattern as discussed in the previous section. Education held the largest share of 23.09 percent in total PRSP expenditures during FY17. It was followed by Roads, Highway & Bridges, recording a share of 17.38 percent. Law & Order recorded a share of 11.77 percent in total expenditures. Health and Agriculture subsectors depicted an increase in their respective shares during the period under review (Table 2.4).

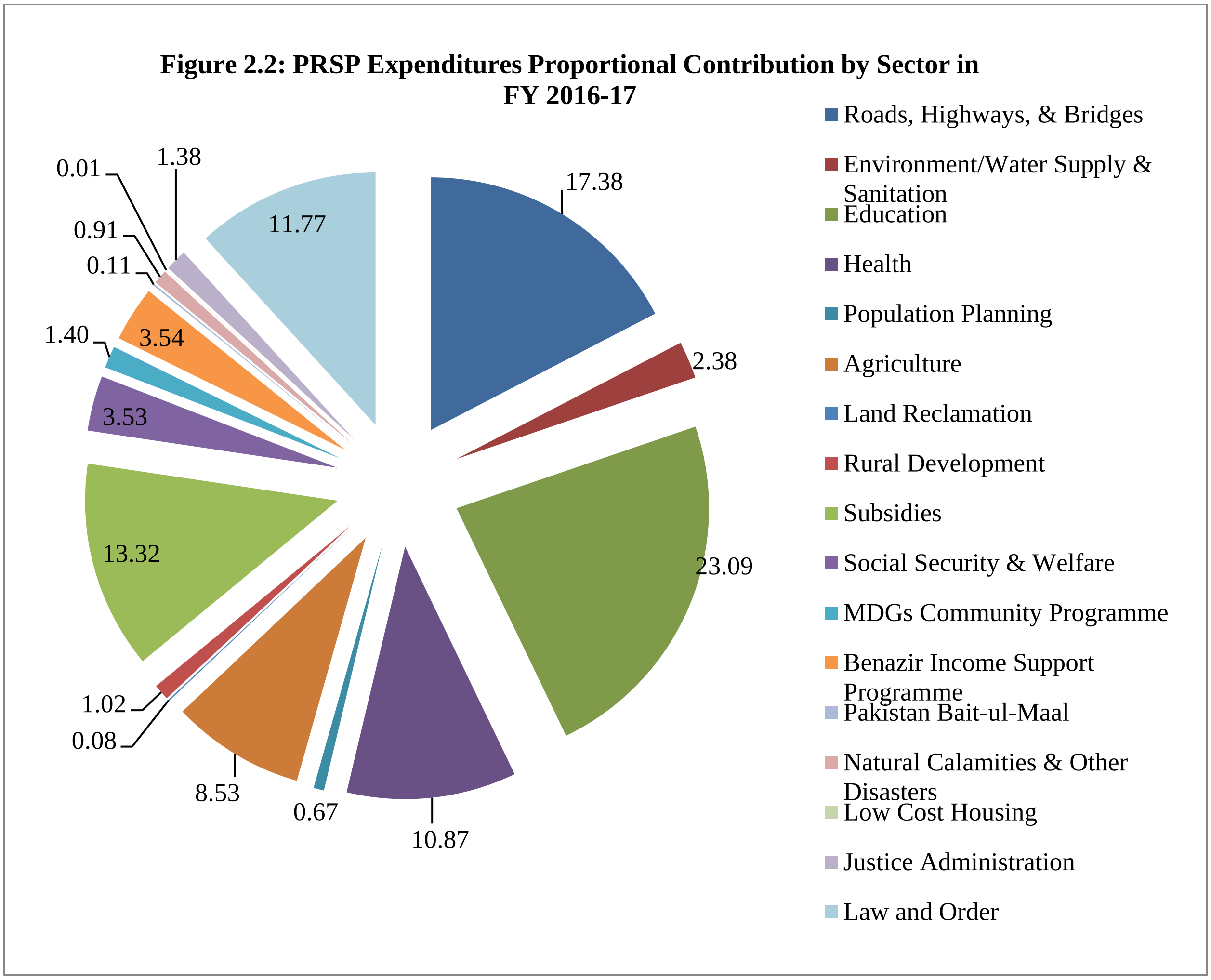
Table-2.4 Comparison of Proportional Contribution by Sector in PRSP Expenditures Between FY 2015-16 and FY 2016-17

Sector	FY 2015-16	Percentage Share	FY 2016-17	Percentage Share
Roads, Highways, & Bridges	397,506	**14.75**	526,356	**17.38**
Environment/Water Supply & Sanitation	63,554	**2.36**	72,031	**2.38**

Education	663,356	**24.62**	699,222	**23.09**
Health	267,953	**9.94**	328,962	**10.87**
Population Planning	10,894	**0.40**	20,338	**0.67**
Agriculture	239,019	**8.87**	258,396	**8.53**
Land Reclamation	4,601	**0.17**	2,558	**0.08**
Rural Development	37,419	**1.39**	30,934	**1.02**
Subsidies	437,087	**16.22**	403,139	**13.32**
Social Security & Welfare	48,346	**1.79**	106,850	**3.53**
MDGs Community Programme	20,900	**0.78**	42,500	**1.40**
Benazir Income Support Programme	100,914	**3.75**	107,058	**3.54**
Pakistan Bait-ul-Maal	3,372	**0.13**	3,296	**0.11**
Natural Calamities & Other Disasters	59,204	**2.20**	27,461	**0.91**
Low Cost Housing	460	**0.02**	422	**0.01**
Justice Administration	33,255	**1.23**	41,926	**1.38**
Law and Order	306,738	**11.38**	356,217	**11.77**
GRAND TOTAL	**2,694,578**	**100.00**	**3,027,666**	**100.00**

Source: PRSP Secretariat, Finance Division, Islamabad.

2.11 Proportional share of pro-poor sectors exhibited slight increase or decrease in their contribution to the overall PRSP expenditures.



2.4 PRSP Budgetary Expenditures by Province and Sectors:

2.12 PRSP budgetary Expenditures when analyzed at regional level reveal positive trends in all the provinces during FY17. Maximum increase in PRSP expenditures was observed in Sindh with 27.49 percent increase due to enhanced expenditures under Population Planning, Rural Development and Social Security &Welfare, followed by KP, Balochistan and Punjab with 26.44 percent, 13.93 percent and 2.54 percent increases, respectively.

2.13 Data given in Table 2.5 shows that in Punjab, Social Security &Welfare recorded the highest increase of 133.25 percent. Environment/ Water Supply & Sanitation, Health, Population

Planning, Justice Administration and other sectors also observed significant increase in this Province.

Table-2.5 Percentage Change in PRSP Expenditures by Sector and by Province in FY 2016 and FY 2017

Sector	Federal	Punjab	Sindh	KPK	Balochistan	Pakistan
Roads, Highways, & Bridges	77.45	-14.67	-64.60	58.63	29.89	32.41
Environment/Water Supply & Sanitation	68.52	15.36	-18.22	11.68	27.51	13.34
Education	-9.34	3.65	8.68	21.29	4.87	5.41
Health	31.02	20.70	4.06	51.93	34.95	22.77
Population Planning	---	20.53	126.15	6.74	155.03	86.69
Agriculture	-44.02	14.12	51.94	6.11	7.10	8.11
Land Reclamation	---	10.88	-48.05	---	---	-44.40
Rural Development	-60.24	-11.18	1046.26	-33.13	-38.84	-17.33
Subsidies	-29.79	1.32	18.51	854.49	31.89	-7.77
Social Security & Welfare	-95.23	133.25	261.62	-10.64	66.39	121.01
MDGs Community Programme	103.35	---	---	---	---	103.35
Benazir Income Support Programme	6.09	---	---	---	---	6.09
Pakistan Bait-ul-Maal	-2.25	---	---	---	---	-2.25
Natural Calamities & Other Disasters	30.75	-81.57	11.18	-83.76	-23.64	-53.62
Low Cost Housing	---	-10.68	45.00	---	---	-8.26
Justice Administration	1.50	20.32	36.23	61.09	21.40	26.07
Law and Order	18.02	10.43	10.56	38.65	8.02	16.13
GRAND TOTAL	**11.03**	**2.54**	**27.49**	**26.44**	**13.93**	**12.36**

Source: PRSP Secretariat, Finance Division, Islamabad.

2.14 In Khyber Pakhtunkhwa, Subsidies showed a substantial increase of 854.49 percent. All sub-sectors reflected a positive trend in the province except Rural Development, Social Security &Welfare and Natural Calamities & Disasters during the comparison period. Agriculture, Social Security & Welfare and Law & Order sectors recorded positive growth in all provinces and the federal area.

2.5 PRSP Current and Development Expenditures

2.15 This section of PRSP progress report gives overall picture of Current and Development expenditures incurred sector wise and region wise.

2.16 Total PRSP expenditures are divided as Current and Development expenditures in FY17. Their relative percentage changes and shares in the total expenditures are illustrated in Table 2.6. Current expenditures grew by 3.02 percent in FY17. It was encouraging to note that development expenditures depicted a substantial growth of 26.71percent during the comparison period. The share of current expenditures in total PRSP spending declined from 60.57 percent to 55.54 percent while the share of development expenditures increased from 39.43 percent to 44.46 percent during the review period.

Table-2.6 Total PRSP Current and Development expenditures for FY2016 and FY2017

	Expenditures (Rs. Millions)			**Percentage Share**	
	Current	Development	Total	Current	Development
FY 2015-16	1,632,212	1,062,366	2,694,578	60.57	39.43
FY 2016-17	1,681,509	1,346,157	3,027,666	55.54	44.46
Percentage change	3.02	26.71	12.36		

Source: Civil Accounts provided by Accountant General's office.

2.17 Table 2.7 gives detail of total PRSP Current and Development expenditures spent at federal and provincial levels. Current and Development expenditures witnessed an increasing trend in all provinces. On the development side, the highest growth of 57.82 percent was seen in Sindh followed by 24.69 percent in KP and 16.26 percent in Balochistan. KP and Balochistan recorded growth of 27.21 percent and 12.389 percent in current expenditures, respectively.

2.18 At the federal level, Development expenditures recorded a growth of 41.95 percent while a decline of 9.74 percent was recorded in Current expenditures during FY17.

Table-2.7 Percentage Change in PRSP Current and Development Expenditures by Province for FY2016 and FY2017						
Province	**FY 2015-16**		**FY 2016-17**		**Percentage change**	
	Current	Development	Current	Development	Current	Development
Federal	535,803	359,950	483,642	510,944	-9.74	41.95
Punjab	536,671	412,742	543,218	430,295	1.22	4.25
Sindh	282,405	147,373	315,359	232,577	11.67	57.82
KPK	186,246	81,829	236,923	102,035	27.21	24.69
Balochistan	91,087	60,472	102,367	70,306	12.38	16.26
Pakistan	1,632,212	1,062,366	1,681,509	1,346,157	3.02	26.71

Source: Civil Accounts provided by Accountant General's office.

2.6 PRSP Expenditures in sub sectors of Education

2.19 Table 2.8 provides expenditures incurred under education in five sub-sectors during the current and previous years. Overall, expenditures spent on education grew by 5.41 percent from Rs.663, 356 million to Rs. 699,222 million in FY17. A 19 percent growth was recorded in Professional & Technical Universities and 13 percent growth was noticed in Teacher & Vocational Training in FY17. Negative growth of 5.4 percent was recorded in General Universities, Colleges & Institutes during the comparison period.

Table-2.8 Percentage Change in PRSP Education Expenditures for FY2016 and FY2017						
Education sub-sector	**Federal**	**Punjab**	**Sindh**	**KPK**	**Balochistan**	**Total**
Primary Education	18.83	5.05	-16.17	28.63	4.59	3.21
Secondary Education	10.17	-14.03	19.34	15.85	-3.47	1.06
General Universities, Colleges, & Institutes	-21.60	44.30	-24.75	3.01	20.43	-5.43
Professional & Technical Universities, Colleges & Institutes	4.96	27.52	15.00	41.65	24.80	19.35
Teacher & Vocational Training	2.56	14.60	4.84	---	15.95	13.03
Others	5.73	24.37	134.13	37.10	11.03	49.92
Total	-9.34	3.65	8.68	21.29	4.87	5.41

Source: PRSP Secretariat, Finance Division, Islamabad.

2.20 Regional composition of expenditures incurred in education sector reveals that the highest increase of 21.29 percent took place in KP during FY16 to FY17, followed by 8.68 percent growth in Sindh. A 5 percent growth was recorded in the province of Balochistan. The least growth of 3.65 percent was recorded in the province of Punjab. Negative growth was noticed in the federal area.

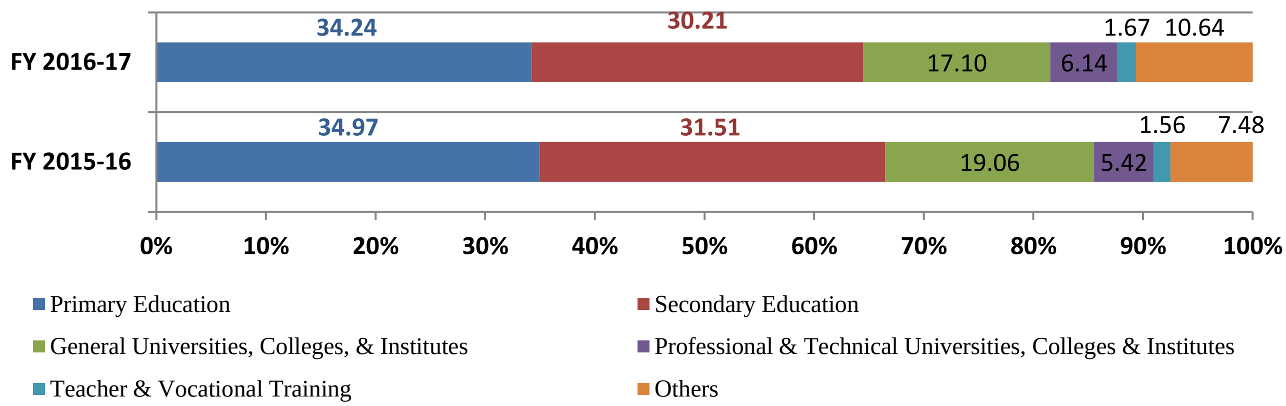
Table-2.9 Percentage Distribution of Education Expenditures for FY2016 and FY2017

	Federal	Punjab	Sindh	KP	Balochistan	Total
	FY 2016-17					
Primary Education	9.14	42.12	37.69	34.68	36.20	34.24
Secondary Education	10.82	31.02	27.40	45.23	35.48	30.21
General Universities, Colleges, & Institutes	51.43	13.23	7.60	8.32	14.72	17.10
Professional & Technical Universities, Colleges & Institutes	14.48	2.31	4.87	9.12	3.55	6.14
Teacher & Vocational Training	1.08	3.25	0.33	0.00	3.32	1.67
Others	13.04	8.07	22.12	2.65	6.73	10.64
Total	100.00	100.00	100.00	100.00	100.00	100.00
	FY 2015-16					
Primary Education	6.97	41.56	48.86	32.70	36.30	34.97
Secondary Education	8.91	37.39	24.95	47.35	38.54	31.51
General Universities, Colleges, & Institutes	59.47	9.50	10.98	9.79	12.82	19.06
Professional & Technical Universities, Colleges & Institutes	12.51	1.88	4.60	7.81	2.98	5.42
Teacher & Vocational Training	0.95	2.94	0.34	0.00	3.01	1.56
Others	11.18	6.73	10.27	2.34	6.36	7.48
Total	100.00	100.00	100.00	100.00	100.00	100.00

Source: PRSP Secretariat, Finance Division, Islamabad.

2.21 The diagrammatic representation shows that the largest share in total education expenditures was held by Primary Education followed by Secondary Education. General Universities, Colleges, & Institutes held 17 percent share. Teacher and Vocational Training held the smallest share of 2 percent during FY17.

Figure-2.3: Percentage Distribution of Education Expenditures by Sub- Sector for FY 2015/16 and 2016/17



2.7 PRSP Expenditures in Health

2.22 The following section of the report focuses on Health expenditures incurred in Pakistan at sectoral and regional levels during FY17 in comparison to the last year.

2.23 The overall expenditures of health sector recorded an increase of 23 percent from Rs. 268 billion last year to Rs. 329 billion this year. Region wise distribution of Health expenditures has been illustrated in Table 2.10. The highest growth of 52 percent was recorded in the province of KP followed by 34.95 percent growth in Balochistan. Punjab recorded 20.70 percent growth while Sindh registered an increase of 4.06 percent in health expenditures. Positive growth of 31 percent was recorded in the federal area due to devolution of health sector to provinces after the 18th Constitutional Amendment.

Table-2.10 Percentage Change in PRSP Health Expenditures for FY2016 and FY2017

Health sub-sector	Federal	Punjab	Sindh	KPK	Balochistan	Total
General Hospitals & Clinics	17.06	23.12	-33.72	53.84	8.40	12.59
Mother & Child Health	8.62	-83.39	---	1.69	---	-57.61
Health Facilities & Preventive Measures	137.22	-2.62	73.17	-17.44	113.79	52.85
Others	29.09	15.16	174.13	297.11	64.00	53.79
Total	31.02	20.70	4.06	51.93	34.95	22.77

Source: PRSP Secretariat, Finance Division, Islamabad.

2.24 Expenditures made under Health Facilities & Preventive Measures and Others category grew by 53 percent and 54 percent respectively while General Hospitals &Clinics recorded an increase of 13 percent over the comparison period. Mother & Child Health observed negative growth in health expenditures.

Table-2.11 Percentage Distribution of Health Expenditures for FY2016 and FY2017

Health sub-sector	Federal	Punjab	Sindh	KPK	Balochistan	Pakistan
	FY 2016-17					
General Hospitals & Clinics	25.82	86.49	48.25	82.78	56.54	67.90
Mother & Child Health	0.27	0.10	0.19	0.13	0.00	0.14
Health Facilities & Preventive Measures	9.16	2.19	21.11	7.91	32.10	9.65
Others	64.75	11.22	30.45	9.19	11.36	22.31
Total	100.00	100.00	100.00	100.00	100.00	100.00
	FY 2015-16					
General Hospitals & Clinics	28.90	84.79	75.76	81.75	70.39	74.04
Mother & Child Health	0.32	0.73	0.00	0.19	0.00	0.40
Health Facilities & Preventive Measures	5.06	2.72	12.68	14.55	20.26	7.75
Others	65.72	11.76	11.56	3.52	9.35	17.81
Total	100.00	100.00	100.00	100.00	100.00	100.00

Source: PRSP Secretariat, Finance Division, Islamabad.

2.25 Figure 2.3 gives share of each sector in total health expenditures during FY17. Majority of health expenditures were incurred under the category of General Hospitals & Clinics constituting a share of 68 percent in total health expenditures. The smallest share was spent on the category of Mother & Child Health Care.

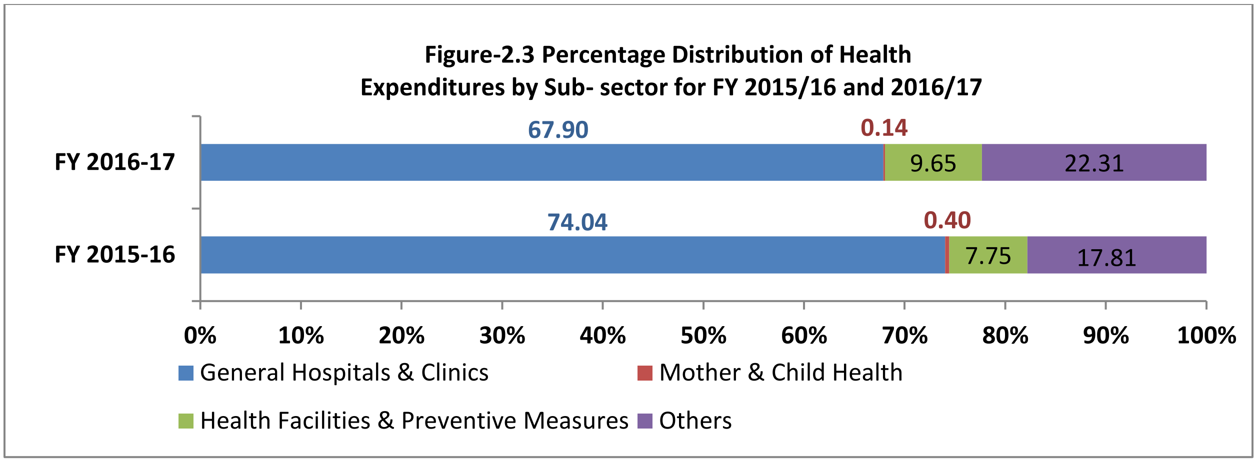


Figure-2.3 Percentage Distribution of Health
Expenditures by Sub- sector for FY 2015/16 and 2016/17
FY 2016-17
FY 2015-16
67.90
0.14
9.65
22.31
74.04
0.40
7.75
17.81
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
General Hospitals & Clinics
Mother & Child Health
Health Facilities & Preventive Measures
Others

Chapter 3 Protecting the Poor and the Vulnerable

3.1 Social safety net is a tool through which state or other social welfare institutions provide cash or in-kind goods and services to protect the poor from social and economic upheavals. Poverty reduction strategy incorporates economic opportunities for the poor while ensuring decent living conditions and adequate social protection.

3.2 Safety Net in the form of direct cash transfers and other services include both budgetary and non-budgetary programmes. Budgeted Social Safety Net Programmes include Benazir Income Support Programme (BISP), Pakistan Bait-ul-Mal (PBM) and Social Security & Welfare. Zakat, Employees Old-age Benefit Institution (EOBI) and Workers Welfare Fund (WWF) constitute non-budgetary part of pro-poor expenditures. Microfinance by specialized financial institutions is another tool that provides small credits facility to the needy and the poor.

3.3 Disbursements and beneficiaries of all programmes including micro credits are reported in Table 3.1. Disbursements under social safety net programme observed a positive trend with regards to both the number of beneficiaries and the amount disbursed. During FY17, the total amount disbursed under different programmes, including budgetary and non-budgetary transfers, increased by 35 percent from Rs. 184,405 million to Rs. 248,814 million.

3.4 Budgeted programme disbursements increased by 42 percent while Non-budgeted disbursements declined by 0.7 percent. The number of beneficiaries exhibited a declining trend under various budgeted and non-budgeted transfers. The reason for this decline has been discussed in subsequent sections.

3.5 Disbursement of micro-credit increased by 41.8 percent during FY17 while the number of loans registered an increase of 20.8 percent.

Table 3.1: Social Safety Net: Transfers and Beneficiaries			
Programme	**Disbursement / Beneficiaries**	**FY15/16**	**FY16/17**
(a) Budgetary Transfers			
Pakistan Bait-ul-Mal	Amount disbursed (Rs. Millions)	3,372	3,295.6
	Total No. of beneficiaries	154,800	125,951
BISP	Amount disbursed (Rs. millions)	100,914	107,058
	Total beneficiaries (million)	5.689	6.009
Social Security & Social Welfare	Amount disbursed (Rs. millions)	48,346	106,905
Total: (a)	**Amount disbursed (Rs. millions)**	152,632	217,258
	Total No. of beneficiaries	5,843,800	125,957
(b) Non – Budgetary Transfers			
Zakat	Amount disbursed (Rs. millions)	4,978	6116.59
	Total No. of beneficiaries	749,194	884,835
EOBI	Amount disbursed (Rs. millions)	22,602	24,208
	Total No. of beneficiaries	388,152	379,025
WWF	Amount disbursed (Rs. millions)	4,193	1,232.09
	Total No. of beneficiaries	25,412	11,405
Total: (b)	**Amount disbursed (Rs. millions)**	**31,773**	**31,556.68**
	Total No. of beneficiaries	**1,162,758**	**1,275265**
Total: (a+b)	**Amount disbursed (Rs. millions)**	**184,405**	**248,814.68**
	Total No. of beneficiaries	**7,006,558**	**1,401,222**
Micro Finance	Credit disbursed (Rs. millions)	152,492	216,158
	Total No. of Loans	4,243,978	5,126,608

3.1 Pakistan Bait-ul-Mal

3.6 Pakistan Bait-ul-Mal (PBM), an autonomous body setup under 1991 Act, is significantly contributing towards poverty alleviation through its various poorest-of-the-poor focused services programme. It provides assistance to destitute, widows, orphans, invalid, infirm and other needy persons.

3.7 The main objective of the PBM is to provide financial assistance with emphasis on rehabilitation; educational assistance to needy orphans; stipends for the outstanding, non-affording students for higher professional education; residential accommodation and necessary facilities for the deserving; free medical treatment for indigent sick people; free hospitals and rehabilitation centers for the poor, and financial aid to charitable institutions including educational and vocational setups.

3.8 The detail of programmes under PBM during FY16 and FY17 is given in Table 3.2. Total disbursements under PBM pro-poor programme observed a decline of 2.28 percent from Rs 3.37 billion to Rs.3.29 billion. The number of beneficiaries also exhibited a significant decline of 18.6 percent. According to the organization, change in the mode of payment from manual system to biometric payment system and revised registration process, decline in disbursements and number of beneficiaries of various programmes was reported.

Table 3.2 Programme of Pakistan Bait-ul-Mal (PBM)

Grant Nature	FY15/16		FY16/17	
	Beneficiaries	**Disbursement (Rs. millions)**	**Beneficiaries**	**Disbursement (Rs. millions)**
Child Support Programme	46,733	2052.61	38,149	1,922.523
Individual Financial Assistance	57,545	98.30	32,969	65.436
Institutional Rehabilitation (Grant-In-Aid to NGOs)/ Civil Society Wing (NGOs)	19,473	38.95	23,035	38.085

National Centre for Rehabilitation of Child Labour	18,140	538.58	17,900	527.034
Vocational/Dastkari Schools/Centres	9,248	261.25	10,187	302.524
Pakistan Sweet Homes (Orphanages)	3,598	377.18	3,648	430.208
Pakistan Great Home	63	5.59	63	9.789
Total	154,800	3,372.46	125,951	3,295.599
Source: Pakistan Bait-ul- Maal				

3.2 Benazir Income Support Programme

3.11 Benazir Income Support Programme (BISP) was launched in July 2008 with the objectives to enhance financial capacity of poor and their dependent family members; formulate and implement comprehensive policies and targeted programmes for the uplift of underprivileged and vulnerable people; reduce poverty and promote equitable distribution of wealth especially for low income groups, particularly women through provision of cash transfers to eligible families.

3.12 BISP has four closely associated and complementary components, including Waseela-e-Rozgar (Technical & Vocational Training), Waseela-e-Haq (Micro-Finance), Waseela-e-Sehat (Life & Health Insurance) and Waseela-e-Taleem (Primary Education).

Table 3.3 Disbursement and Beneficiaries under BISP (Million Numbers)

	FY15/16		**FY16/17**	
BISP Initiative	**Amount Disbursed**	**No of Beneficiaries**	**Amount Disbursed**	**No of Beneficiaries**
Cash Grant Program	100,914	5.689	107,058	6.009
Source: Benazir Income Support Programme				

3.13 Its long term objectives include meeting the targets set by the Sustainable Development Goals (SDGs) to eradicate extreme and chronic poverty and hunger and to empower women. The monthly stipend under BISP was enhanced by the present government from Rs. 1000 to Rs. 1200 per family in July 2013 with subsequent increase to Rs. 1500 per family in 2014. The quarterly cash grant was further enhanced by the government from Rs 3000 to Rs 4834 in FY17. The government has also increased the annual stipends to Rs. 18,800 per annum per beneficiary from 1st July, 2015.

3.14 Table 3.3 shows the total amount disbursed and the number of beneficiaries during FY16 and FY17. The total amount disbursed in FY17 was Rs. 107,058 million while the number of beneficiaries stood at 6.009 million. In FY16, Rs. 100,914 million were disbursed while the number of beneficiaries was 5.689 million. An increase of 6.08 percent was recorded in the total cash amount disbursed. The number of beneficiaries also registered an increase of 5.6 percent in FY17.

3.3 Zakat

3.15 Zakat as an institution plays an important role in the Islamic economic system in solving a number of economic and social problems. Apart from support to the poor and needy, it helps in re-distribution of wealth which curtails unemployment and reduces chances of economic recession. Zakat system in Pakistan was introduced through an Ordinance called Zakat and Ushr Ordinance, 1980.

3.16 Zakat funds are utilized to assist the needy, indigent poor, orphans, widows, handicapped and disabled. These poor segments of the society are provided Zakat funds directly or through respective local Zakat Committees or indirectly through institutions, i.e., educational, vocational and social institutions and hospitals, etc. Under the 18th Constitutional Amendment, the subject of Zakat stands devolved to provinces.

3.17 The overall Zakat programme registered an increase of 31 percent with minor reduction of 3 percent in number of beneficiaries (Table 3.4).

3.18 During FY16, Sindh recorded a big increase both in disbursements and number of beneficiaries, showing a growth of 242 percent in the amount disbursed and 81 percent in number of Zakat beneficiaries. Punjab and KP provinces witnessed increase in disbursements by 16 percent and 7 percent, respectively. However, the number of beneficiaries in both the provinces has declined. There was major reduction in Zakat programme in Balochistan, which recorded reduction of 88 percent in disbursement and 85 percent in number of beneficiaries. The substantial decline in Balochistan was on account of non-existence of District and Local Zakat Committees, which are being established.

Table 3.4 Zakat Disbursement & Beneficiaries by Provinces

Area	FY15/16		FY16/17	
	Disbursement (in millions)	No. of Beneficiaries	Disbursement (in millions)	No. of Beneficiaries
Punjab	2730.232	**425,933**	**3396.70**	**458,554**
Sindh	1,464	251,406	1,763	290,519
KPK	752	82,199	759.19	82,236
Balochistan	38	10,430	197.7	53526
Total	**4,978**	**749,194**	**6116.59**	**884,835**

Source: Ministry of Religious Affairs, Zakat & Ushar

3.4 Employees Old Age Benefit Institution (EOBI)

3.19 EOBI Act 1976 came into force on April 1, 1976, in pursuance of the objectives of Article 38 (C) of the Constitution which mandates provision of compulsory social insurance. It extends old-age benefits to insured persons or their survivors. Under EOBI Scheme, insured persons are entitled to avail benefits like, Old-Age Pension, Invalidity Pension, Old-Age Grant and Survivor's Pension. EOBI does not receive any financial assistance from the government for carrying out its operations. A contribution equal to 5% of minimum wage has to be paid by the employers of all the industrial and commercial organizations where EOBI Act is applicable. Contributions equal to 1% of the minimum wage is also made by the employees of such organizations.

3.20 Detail of disbursements and beneficiaries under different programmes of EOBI during FY16 and FY17 is given in Table 3.5. An increase of 7 percent was recorded in the amount disbursed from Rs. 22,602 million in FY16 to Rs. 24,208 million in FY17 while the number of beneficiaries declined by 2.4 percent from 388,152 to 379,025 during this period.

Table 3.5 Programs of Employees' Old Age Benefit Institution

Programs	FY15/16		FY16/17	
	No. of Beneficiaries	Disbursement (Rs. Millions)	No. of Beneficiaries	Disbursement (Rs. Millions)
Old Age Pension	236,803	14,056	235999	15,198
Invalidity Pension	142,362	8,141	132,285	8594
Survivors Pension	5,471	309	5265	328
Old-age Grants	3,516	96	2475	88
Total	**388,152**	**22,602**	**379,025**	**24,208**

Source: Employees' Old Age Benefits Institution

3.21 Under the Old-Age Grant programme, the amount disbursed declined by 8.3 percent due to which the number of beneficiaries also declined by 29.6 percent.

3.5 Workers Welfare Fund (WWF)

3.22 Workers Welfare Fund was established under the Workers Welfare Fund Ordinance, 1971 for providing low-cost housing and welfare measures to the workers of industrial sector. Initial contribution of Rs. 100 million was made by the government and further resources were to be raised by the private sector. The main objectives of WWF include: financing of projects connected with establishment of housing estates or construction of houses for the industrial workers; financing of other welfare measures such as free-of-cost education up to secondary level; post-secondary level scholarships; marriage grant, and death grant, etc.

Table 3.6 Workers Welfare Fund				
Programme	**FY15/16**		**FY16/17**	
	No. of Beneficiaries	**Disbursement (Rs. Millions)**	**No. of Beneficiaries**	**Disbursement (Rs. Millions)**
Marriage Grant cases	13,138	1301	1,919	191.87
Death Grant Cases	2,288	1142	732	365.80
Education Grant/ Scholarship Cases	9,986	1750	8,754	674.418
Total	**25,412**	**4,193.41**	**11,405**	**1,232.09**
Source: Workers Welfare Fund				

3.23 During FY17, a significant decline of 70 percent was recorded in the disbursed amount, i.e. from Rs. 4,193.41 million to Rs. 1,232.09 million. Resultantly, number of beneficiaries also exhibited a significant decline of 55 percent from 25,412 in FY16 to 11,405 in FY17.

3.6 Microfinance

3.24 Microfinance services to the poor include micro credits, micro savings by poor and micro insurance. This has been widely recognized as an effective strategy to combat poverty by providing financial services to the poor. The credit programme offers small loans for livelihood generation and enhancement of economic independence. Microfinance services help the poor in accumulating assets and building income generation capacities that can provide better access to social services such as health and education, food security, and access to basic necessities of life. In addition, savings help the poor to manage their resources over time and to enable them to plan and finance their investments. Insurance becomes useful in order to mitigate adverse effects of unexpected shocks such as illness or natural disasters.

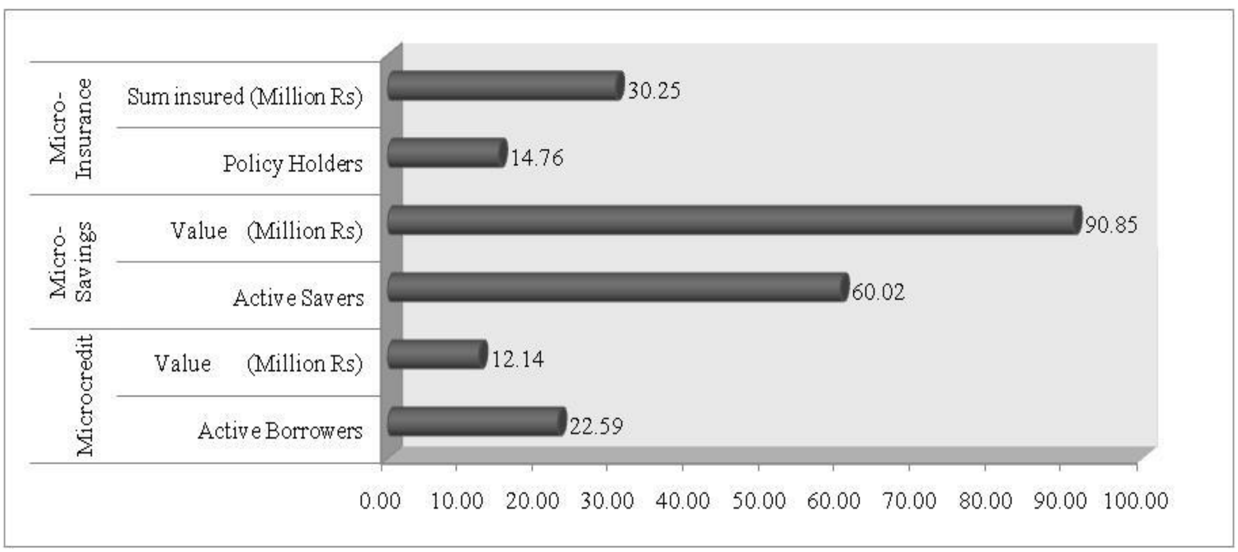
3.25 The performance of microfinance in terms of disbursement and beneficiaries is given in Table 3.7. All categories under Microfinance depicted an increasing trend during the period under review. Disbursement of micro credits witnessed a high growth of 22.6 percent from Rs. 152,492 million in FY16 to Rs. 171,008 million in FY17. Number of micro-savers increased by

60 percent during the comparison period. Also, the total amount under micro-saving increased by 90.85 percent.

3.26 Micro-insurance programmes also registered positive growth of 30 percent while the number of policy holders increased by 14.76 percent.

Table 3.7 Microfinance Analysis						
Year	**Microcredit**		**Micro-Savings**		**Micro-Insurance**	
	Active Borrowers	**Value (Million Rs)**	**Active Savers**	**Value (Million Rs)**	**Policy Holders**	**Sum insured (Million Rs)**
FY15/16	4,243,978	152,492	15,755,451	77,311	5,530,894	128,886
FY16/17	5,202,872	171,008	25,211,463	147,549	6,347,260	167,868

Source: Pakistan Microfinance Network, Islamabad.



Source: Pakistan Microfinance Network, Islamabad.

3.27 The share of all peer groups under microfinance services during FY16 and FY17 is given in Table 3.8. Among all groups, Micro-Finance Banks (MFBs) occupied the maximum share as well as increased its share over the last year. Rural Support Programmes (RSPs) lost their share in all the categories of Active Borrowers, Active Savers and Active Policy Holders.

3.28 According to data, shares of Micro-finance Institutes (MFIs) observed a mixed trend. No major change occurred in the share of Others in Active Borrowers and Active Savers during FY16 and FY17.

Table 3.8 Active Borrowers, Active Savers and Active Policy holders by Peer Group					
Details	**Percentage of Peer Groups**				**Total**
	MFBs	**MFIs**	**RSPs**	**Others**	
Active Borrowers FY15/16	41%	32%	22%	5%	100%
Active Borrowers FY16/17	43%	34%	19%	4%	100%
Active Savers FY15/16	81%	0%	19%	0%	100%
Active Savers FY16/17	87%	0%	13%	0%	100%
Active Policy Holders FY15/16	36%	43%	20%	1%	100%
Active Policy Holders FY16/17	36%	47%	16%	0%	100%

Source: Pakistan Microfinance Network

Summary of Microcredit Indicators

3.29 Summary of micro credit indicators is illustrated in Table 3.9. The statistics given below articulate that all micro credit indicators have demonstrated significant performance during the year. Among the micro finance providers, MFBs and MFIs depicted positive growth for all micro credit indicators in FY17.

3.30 The total number of branches increased from 3,130 in FY16 to 3,484 in FY17. Gross Loan Portfolio also increased from Rs.108,881 to Rs.171,008 during the comparison period. Average Loan Balance increased from Rs. 26,166 in FY16 to Rs. 32,868 in FY17. Number of Loans disbursed increased from 4,243978 to 5,126,608. Credit disbursements also registered an increasing trend from Rs. 152,492 million to Rs. 216,158 million. Average Loan Size increased from Rs. 35,931 to Rs. 42,164.

Table 3.9 Summary of Microcredit Provision FY14/15 to FY15/16			
Peer Group		**FY15/16**	**FY16/17**
MFBs	Number of branches/Units	931	1,015
	Gross Loan Portfolio (Rs. million)	67,023	112,348
	Average Loan Balance (Rs. million)	38,603	49,985
	Number of Loans disbursed	1,911,944	2,357,530
	Credit Disbursements (Rs. million)	89,003	130,204
	Average Loan Size (Rs.)	46,551	55,229
MFIs	Number of branches/Units	1,114	1,369
	Gross Loan Portfolio (Rs. million)	21,746	33,023
	Average Loan Balance (Rs.)	16,414	18,827
	Number of Loans disbursed	1,250,876	1,594,954
	Credit Disbursements (Rs. million)	33,359	49,706
	Average Loan Size (Rs.)	26,669	31,164
RSPs	Number of branches/Units	912	908
	Gross Loan Portfolio (Rs. million)	16,275	20,754
	Average Loan Balance (Rs.)	17,993	20,935
	Number of Loans disbursed	868,501	983,662
	Credit Disbursements (Rs. million)	22,743	28,941
	Average Loan Size (Rs.)	26,186	29,422
Others	Number of branches/Units	173	192
	Gross Loan Portfolio (Rs. million)	3,837	4,883
	Average Loan Balance (Rs.)	19,617	23,271
	Number of Loans disbursed	212,657	190,462
	Credit Disbursements (Rs. million)	7,387	7,307
	Average Loan Size (Rs. million)	34,737	38,363
Total	**Number of branches/Units**	**3,130**	**3,484**
	Gross Loan Portfolio (Rs. millions)	**108,881**	**171, 008**

	Average Loan Balance (Rs.)	**26,166**	**32,868**
	Number of Loans disbursed	**4,243,978**	**5,126,608**
	Credit Disbursements (Rs. millions)	**152,492**	**216,158**
	Average Loan Size (Rs.)	**35,931**	**42,164**
Source: Pakistan Microfinance Network (PMN), Islamabad			

Chapter 4 Monitoring the PRSP Intermediate (Output) Indicators

4.1 Human welfare and development is a basic right of every individual as enshrined in the Constitution of the Islamic Republic of Pakistan and the charter of the United Nations. It is for this reason that investments in health and education receive top priority in the government's developmental agenda.

4.2 The success in poverty reduction depends on the availability of resources, effective implementation of the poverty reduction strategy, continuous monitoring and evaluation (M&E), and regular feedback to policymakers for appropriate adjustments in programmes and policies. Development of results-based M&E system is a critical component of any successful Poverty Reduction Strategy (PRS). Such a system is intended both as a way of ensuring continuous improvement of PRS and as an instrument for influencing development policy process by making it more evidence based and results oriented.

4.3 PRSP-II Intermediate Output Indicators include education, health, environment, energy development, employment and People Work's Programme. Various variables have been identified against these areas to assess performance in the social sector. During FY17, indicators of health and education showed improvement.

4.1 Education Sector

4.4 Education plays a key and central role in economic and social progress and prosperity of a nation. The government assigns high priority to developing a high quality, equitable, and widely accessible education system in Pakistan.

4.5 Under the 18th Constitutional Amendment, the subject of education stands devolved to provinces. Academy of Educational Planning and Management (AEPAM), after devolution of Ministry of Education is being administratively controlled by Ministry of Federal Education and Professional Training and is performing functions of collation of education data collected through provincial/Regional EMIS (Education Management Information System) and maintains linkages with provincial and district organization and educational institutions.

4.6 Education sector intermediate (output) indicators include information about public schools, percentage of teachers trained and update on basic facilitates in these schools. Progress of these indicators during FY16 and FY17 is discussed below:

Functional Public Schools

4.7 Number of functional primary and middle schools including mosque schools in Pakistan are depicted in Table 4.1. A total of 129,608 schools were functional in FY17 against 130,621 in FY16 registering a decrease of 0.78 percent. During the same period, number of primary functional schools decreased marginally by less than 1 percentage point whereas middle level functional schools witnessed a growth of 0.56 percent.

4.8 Data shows that during FY17, maximum number of functional schools was in FATA with 3.61 percent growth, followed by 2.40 percent growth in Balochistan. Punjab, Sindh, KP and Gilgit-Baltistan (GB) observed slight decline in number of functional public schools. The number of functional public schools in federal area remained unchanged during the comparison period.

Table 4.1: Number of Functional Public Schools

Region/ Province	Year	Primary	Middle	Total
Pakistan	**FY 2016/17**	113,386	16,222	129,608
	FY 2015/16	114,490	16,131	130,621
Punjab	**FY 2016/17**	36,791	8,358	45,149
	FY 2015/16	36873	8406	45279
Sindh	**FY 2016/17**	35,002	2,156	37,158
	FY 2015/16	35,947	2,130	38,077
KP	**FY 2016/17**	22,019	2,604	24,623
	FY 2015/16	22,363	2,624	24,987
Balochistan	**FY 2016/17**	10,161	1,259	11,420
	FY 2015/16	9,978	1,174	11,152
AJK	**FY 2016/17**	4,166	1,009	5,175
	FY 2015/16	4,167	1,009	5,176
GB	**FY 2016/17**	763	303	1,066
	FY 2015/16	810	289	1,099

FATA	**FY 2016/17**	4,293	473	4,766
	FY 2015/16	4,161	439	4,600
Federal	**FY 2016/17**	191	60	251
	FY 2015/16	191	60	251
Source: NEMIS Database 2015-16, AEPAM, Ministry of Fed. Education & PT, Islamabad				

Percentage of Trained Teachers

4.9 During FY17, percentage of trained teachers dropped by 4 percent at the primary level and 3 percent at middle level. KP and Sindh registered the highest figures in teacher's trainings at both primary and middle levels. Percentage of trained teachers slightly declined in Punjab and AJK both at primary and middle levels.

4.10 The decline in the percentage of teachers trained in certain areas of Pakistan was due to recruitment of new teachers and retirement of old ones. Along with this, since the private sector offers better salaries, trained teachers have also shifted to private educational institutions.

Table 4.2: Percentage of Trained Teachers

Region/ Province	FY 2015/16		FY 2016/17	
	Primary (%)	Middle (%)	Primary (%)	Middle (%)
Pakistan	**88.0**	**85.0**	**84**	**82**
Punjab	93.0	93.0	86	91
Sindh	89.0	91.0	97	97
KP	100.0	100.0	100	100
Balochistan*	-	-	-	-
AJK	94.0	96.0	94	96
FATA	100.0	100.0	95	99
GB	94.0	98.0	95	99
ICT*	-	-	-	-
* Data not available				
Source: NEMIS Database 2015-16, AEPAM, Ministry of Fed. Education & PT, Islamabad				

Basic Facilities in Public Schools

4.11 Table 4.3 gives detail of basic facilities provided in public schools all over Pakistan. Basic facilities include access to clean water, latrine, electricity and boundary wall in schools. At the national level, public schools equipped with these facilities increased in FY17.

Table 4.3: Proportion of Public Schools with Basic Facilities

Region/Province	Years	Level	Water(%)	Latrine(%)	Electricity(%)	Boundary-Wall(%)
Pakistan	**FY2015/16**	**Primary**	67	67	53	71
		Middle	82	85	76	87
		Total	**68**	**69**	**56**	**73**
	FY2016/17	**Primary**	73	73	62	74
		Middle	85	88	79	88
		Total	**74**	**75**	**64**	**76**
Punjab	**FY2015/16**	**Primary**	100	99	91	97
		Middle	100	100	98	99
		Total	**100**	**99**	**92**	**97**
	FY2016/17	**Primary**	99	99	91	97
		Middle	100	100	98	99
		Total	**99**	**99**	**92**	**97**
Sindh	**FY2015/16**	**Primary**	47	51	34	56
		Middle	60	70	53	77
		Total	**47**	**52**	**35**	**57**
	FY2016/17	**Primary**	55	61	42	59
		Middle	70	79	63	80
		Total	**56**	**62**	**43**	**60**
KP	**FY2015/16**	**Primary**	72	86	58	86
		Middle	75	90	70	89
		Total	**72**	**86**	**59**	**86**
	FY2016/17	**Primary**	89	96	87	96
		Middle	86	95	78	95
		Total	**89**	**96**	**86**	**96**
Balochistan	**FY2015/16**	**Primary**	52	13	15	36
		Middle	55	50	30	70
		Total	**53**	**17**	**17**	**39**
	FY2016/17	**Primary**	51	19	15	35
		Middle	54	63	33	72
		Total	**51**	**23**	**17**	**39**

AJK	**FY2015/16**	**Primary**	21	27	11	21
		Middle	46	52	36	35
		Total	**26**	**32**	**16**	**24**
	FY2016/17	**Primary**	21	27	11	21
		Middle	46	52	36	35
		Total	**26**	**32**	**16**	**24**
GB	**FY2015/16**	**Primary**	34	34	34	35
		Middle	70	68	71	68
		Total	**44**	**43**	**44**	**44**
	FY2016/17	**Primary**	46	39	37	39
		Middle	71	75	63	76
		Total	**53**	**49**	**44**	**49**
FATA	**FY2015/16**	**Primary**	39	34	41	58
		Middle	50	48	48	72
		Total	**40**	**35**	**42**	**59**
	FY2016/17	**Primary**	39	35	38	59
		Middle	52	49	47	75
		Total	**40**	**36**	**39**	**60**
Federal	**FY2015/16**	**Primary**	93	95	98	97
		Middle	92	98	100	98
		Total	**92**	**96**	**99**	**97**
	FY2016/17	**Primary**	97	97	99	97
		Middle	100	98	100	95
		Total	**98**	**97**	**100**	**97**
Source: NEMIS Database 2015-16, AEPAM, Ministry of Fed. Education & PT, Islamabad						

4.12 At the national level, public school facilities in terms of water, latrine, electricity and boundary wall were recorded at 74 percent, 75 percent, 64 percent and 76 percent, respectively during FY17. Punjab, Sindh, KP, Balochistan, GB and FATA showed positive trends in public schools facilities during the comparison period. No major change was observed in basic facilities in public schools in AJK and the federal area.

Private Schools and Deeni-Madrassahs

4.13 Data regarding private schools and Deeni-Madrassahs both at primary and middle levels is given in Table 4.4. The number of private schools increased by 3.75 percent from 49,074 to

50,915 during FY17. During the same period, number of Deeni Madrassahs also exhibited a gigantic increase of 111 percent.

Table 4.4: Private Schools (Primary and Middle) and Deeni Madrassahs					
S. No.	Indicator	FY 2015/16		FY 2016/17	
		Target	Actual	Target	Actual
1	No. of Private Schools	-	49,074		50,915
2	No. of madrassahs mainstreamed	-	15,295		32,272
Source: NEMIS Database 2016-17, AEPAM, Ministry of Fed. Education & PT, Islamabad					

4.2 Health Sector

4.14 Under the Sustainable Development Goals (SDGs), the government has made sincere commitment to improve health related outcomes. The federal and provincial governments are developing, implementing, and monitoring health sector strategic framework to achieve health related SDGs.

4.15 Health delivery system in Pakistan consists of public and private health facilities. Public diseases covered under the priority/tertiary category include cardiovascular disease, Diabetes, Burns, HIV/Aids Complication, Cancer, and Road Traffic Accidents. Health sector indicators identified under PRSP-II include TT-Immunization Coverage and Population covered by Lady Health Workers (LHWs).

TT- Immunization Coverage for Pregnant Women Programme

4.16 Expanded Programme on Immunization (EPI) provides immunization to children less than one year of age against seven vaccine-preventable diseases, i.e. childhood tuberculosis, poliomyelitis, diphtheria, pertussis, neonatal tetanus, measles and hepatitis B. After devolution, immunization is the responsibility of provincial/regional governments while federal EPI cell currently takes responsibility for procurement, coordination and technical guidance.

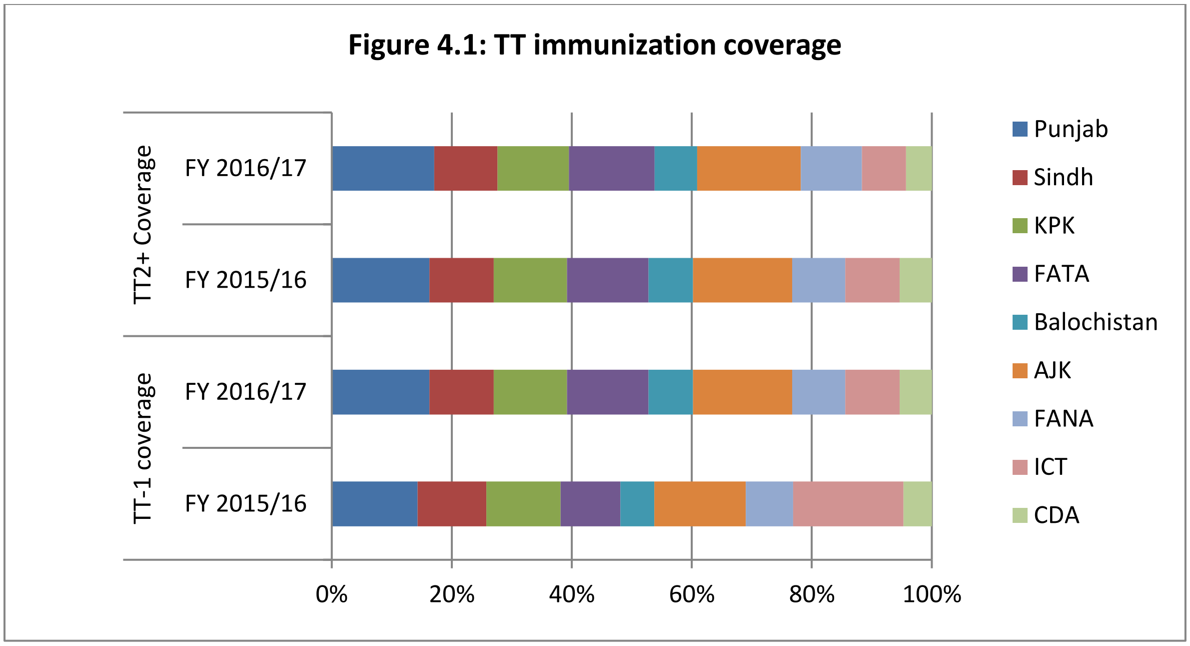
4.17 Coverage of Tetanus Toxoid-1 (TT-1) and Tetanus Toxoid-2+ (TT-2+) immunization for pregnant women in all the provinces of Pakistan and regional governments has been reported in Table 4.5 for FY16 and FY17.

Table 4.5: TT-immunization Coverage for Pregnant Women Programme FY 2015/16 with of FY2016/17

Provinces	FY 2015/16			FY 2016/17		
	TT-Immunization					
	Target Population	TT-1	TT2+	Target Population	TT-1	TT2+
	(@3.57% Pop)	Cov %	Cov %	(@3.57% Pop)	Cov %	Cov %
Punjab	3,460,790	76	72	3,522,392	79	79
Sindh	1,476,690	61	55	1,502,975	52	49
KP	1,004,183	66	62	1,031,798	59	55
FATA	163,884	53	56	167,473	66	66
Balochistan	312,252	30	30	317,810	36	33
AJK	159,369	81	82	163,210	80	80
FANA	49,153	42	46	50,283	43	47
ICT	17,888	98	32	18,243	44	34
CDA	34,408	25	15	35,089	26	20
Pakistan	**6,678,617**	68	64	**6,809,273**	67	66

Source: Federal EPI Cell, National Institute of Health

4.18 Figure 4.1 gives detail of TT- 1 and TT-2+ immunization coverage in Pakistan. The overall TT-1 Immunization coverage exhibited little decline from 68 percent in FY16 to 67 percent in FY17. The most substantial decline in TT-I immunization coverage was recorded in Sindh, KP, and Islamabad Capital Territory (ICT).



4.19 However, TT-2 overall immunization coverage recorded increasing trend during the comparison period; it increased from 64 percent in FY16 to 66 percent in FY17. TT-1 overall immunization coverage declined from 68 to 67 percent during the same period.

Population Covered by Lady Health Workers (LHWs)

4.20 The Lady Health Workers (LHWs) program is a broad targeted scheme designed in the early 1990s with the objective of basic community services to all rural and urban areas in Pakistan. One LHW registers approximately 200 household or 1000 individuals in her community to whom she offers a range of preventive services, including family planning. The worker is female preferably married and a permanent resident of the area. She works from her home, where she is required to have one room designated as 'health house'.

4.21 The total strength of LHWs is given in Table 4.6 along with province/region-wise break-up. In March 2013, the Supreme Court of Pakistan ordered that all LHWs should be regularized. The Court also directed all the four provinces to legislate upon financial affairs of the said employees as soon as possible. As a result of regularization, number of LHWs slightly declined in AJK, FANA and FATA. In Balochistan, strength of LHWs remains same during the reviewed period. The strength of LHWs in the province of Punjab increased in urban areas and slightly declined in rural areas. In KP, an overall positive trend was observed in both urban and rural areas.

Table 4.6: Total Strength of Lady Health Workers						
Province	**FY 2015/16**			**FY 2016/17**		
	Urban	**Rural**	**Total**	**Urban**	**Rural**	**Total**
Punjab	6,866	37,920	44,786	7,295	37,539	44,834
Sindh	5,233	16,363	21,596	----	----	----
KP	1,873	11,600	13,473	2,121	12,423	14,544
Balochistan	1,098	5,622	6,720	1,098	5,622	6,720
AJK	180	2,827	3,007	221	2,769	2,990
FANA	261	1,109	1,370	266	1,103	1,369
FATA	0	1,370	1,370	0	1,322	1,322
Total	15,511	76,811	92,322	11,001	60,778	71,779

Source :Provincial National Program for Family Planning & Primary Health Care

4.22 The population covered by LHWs exhibited an overall declining trend in both urban and rural areas. In the province of Punjab, decline was recorded in the population covered in both urban and rural area. In KPK and AJK, an increasing trend was registered in population covered in rural and urban areas. In Balochistan, an increase was observed in urban area population covered while rural area population covered recorded a slight decline.

Table 4.7: Population Covered by LHWs						
PROVINCES	**FY 2015/16**			**FY 2016/17**		
	Urban	**Rural**	**Total**	**Urban**	**Rural**	**Total**
Punjab	11,409,848	54,976,694	66,386,542	12,494,106	55,491,247	67,985,353
Sindh	47,905,98	15,012,350	19,802,948	----	----	----
KPK	22,250,09	12,750,258	14,975,267	24,269,78	13,816,395	16,243,373
Baluchistan	1,239,532	2,602,429	3,841,961	1,240,012	2,603,010	3,843,022
AJK	214,069	2,391,707	2,605,776	262,444	2,479,549	2,741,993
FANA	544,417	102,468	646,885	211,137	746,288	957,425
FATA	0	1,023,588	1,023,588	0	1,000,345	1,000,345
Total	20,423,473	88,859,494	109,282,967	16,634,677	76,136,834	92,771,511

Source: Provincial National Program for Family Planning & Primary Health Care

4.3 Environment: Land Area Protected

4.23 Forests play a very important role in the economic development of the country. The area under forests in Pakistan is very small (5.01%). According to experts, the area under forests should be at least 25% to 30% of the total area of the country.

Percentage of Land Area Covered by Forests

4.24 The table below depicts percentage of land area covered by forests and the protected area as percentage of the total area. Data shows that there was no change in the land area covered by forest. Percentage of protected area under terrestrial area witnessed increase of 3.1 percentage point from 12.7 percent to 15.8 percent and the Marine area covers 0.16 percent of the total area during the comparison period.

Table 4.8 Land area Protected

S#	Indicator		FY 2015-16		FY 2016-17	
			Target	Actual	Target	Actual
1	Percentage of land area covered by Forests		5.6%	5.01%	5.6%	5.01%
2	Protected area percentage of the total area	Terrestrial	12%	12.7%	17%	15.8%
		Marine	-	-	10%	0.16%

Depletion of Ozone Layer

Table 4.9: Depletion of Ozone Layer

Indicator	Target	Actual (FY 2016-17)
Phasing out of Ozone Depleting Substances from the set baseline of HCFCs by 10% till 2015 and similar completion of 35% reduction targets by 2020	35% reduction of HCFCs by 2020	Pakistan is successfully heading towards the set target of 35% reduction of HCFCs by 2020 from the baseline of 247.4 Ozone Depleting Potential (ODP) tons. For the year 2017, Ministry of Climate Change (NOU) issued a quota of 210.05 ODP tons against the available allocation of 222.66 ODP tons.

Source: Pakistan Ecological and Financial Gas Analysis, Ministry of Climate Change

4.4 Integrated Energy Development Programme

4.25 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 case of electricity consumption and growth rate of energy supply invariably. Per capita consumption of electricity was recorded at 463 Kilowatt Hours (KWH) while energy supply increased by 5.40 percent in FY16. On the other hand, no data was available for the current year.

Table 4.10: Integrated Energy Development					
S. No.	Indicator	FY 2015/16		FY 2016/17	
		Target	Actual	Target	Actual
1	Per capita consumption of electricity (KWH)		463		N.A
2	Energy supplies growth %		5.40		N.A
Source: Ministry of Petroleum and Natural Resources, GOP					

Labour Force, Employed Labour Force and Unpaid Family Helpers

4.26 Up to FY17, a total of 63.47 million people constituted the labour force with a gender spread of 48.2 million males and 15.24 million females, a slight increase over the previous year. Percentage of employed labour force and percentage of unpaid family workers remained the same in both years.

Table 4.11: Labour Force, Employed Labour Force and Unpaid Family helpers						
	FY 2015/16			FY 2016/17		
	Total	Males	Females	Total	Males	Females
Labour Force (millions)	62.25	47.3	14.95	63.47	48.2	15.24
Employed Labour Force (%)	94.06	72.2	21.86	94.06	72.2	21.86
Percentage of unpaid family workers	23.8	11.1	12.7	23.8	11.1	12.7
Source: Labour force Survey 2016-17, Pakistan Bureau of Statistics						

Chapter 5 Progress on Sustainable Development Goals (SDGs)

5.1 The Sustainable Development Goals (SDGs) have replaced the Millennium Development Goals (MDGs) from January 2016 after adoption of the post-2015 development agenda at the United Nations Summit held in September, 2015. SDGs are universal set of 17 goals, 169 targets and 200 plus indicators that UN member states are expected to internalize in their own development agendas and socio-economic policies during the period 2015-2030.

5.2 After signing, detailed work on SDGs is being carried out to develop global and national indicators. The first national monitoring report from member countries will be due by the end of 2018. Pakistan has already embedded SDGs in its long-term development framework, i.e. Pakistan Vision 2025 and progress on the same is being monitored at the Planning Commission.

5.3 Translating the ambitious SDG agenda into a workable action plan and selection of country-specific targets and indicators in two years is a huge challenge, particularly for developing countries like Pakistan. However, Pakistan is not losing any time in translating global SDGs framework into its national action plan.

5.4 SDGs support units are being established in the country with a strong coordination mechanism. Federal SDG Unit and two provincial units, namely, Sindh and Punjab are already operational whereas establishment of Balochistan and KP Units are approved by the Central Development Working Party (CDWP). It is worth mentioning that Pakistan’s efforts are recognized at regional and international levels and the Minister for Planning, Development & Reform has been made lead Minister for SDGs and Chairman of Asia-Pacific region on SDGs.

5.5 The SDGs framework requires an integrated monitoring and evaluation framework with review processes at four levels: Global, Regional, National and Thematic. However, the main focus of SDG monitoring mechanism will remain national-level for convenience of reporting. A sound indicator framework will provide robust management tool to develop implementation strategies and allocate resources. A well-defined set of indicators guarantees regular monitoring of progress towards sustainable development and helps ensure accountability of all stakeholders in achieving SDGs.

5.6 National reporting is essential and performance at the national level is the aggregation of performance at all levels in the country. Therefore, well-coordinated efforts from different ministries, institutions and stakeholders at the national, provincial and district levels are being streamlined. To begin with, strengthening of linkages between planning at national and local levels; enhanced coordination at both federal and provincial levels, and building capacity of provinces and district governments towards service delivery and reporting mechanism are underway.

5.7 Pakistan has started working on 241 draft SDGs indicators list. An extensive exercise has been carried out by the Planning Commission in collaboration with federal ministries, provinces and experts of different development partners, civil society organizations and academicians. Pakistan Bureau of Statistics (PBS) has conducted a technical appraisal of these indicators and presented the same in an expert group meeting held on September 29, 2016. The Committee comprised of representatives from provincial and federal governments, think tanks, research institutions, academicians, development partners, etc. The Committee will recommend necessary review of Pakistan Social and Living Standards Measurement Survey (PSLM) Survey to align it with SDGs indicators. Four sub-committees are constituted to further study etymology of indicators pertaining to poverty and employment; water and sanitation; education, and health.

5.8 Pakistan has prepared a baseline on the basis of existing data and also started process of firming up medium-term targets to reach 2030 targets. SDGs goals and targets need to be localized in the light of national and sub-national peculiarities. Their flexibility to take into account different national realities, capacities and levels of development make them more acceptable to different tiers of the government and community based organizations.

5.9 Ministry of Planning, Development & Reform has also started prioritization consultations in provinces and in this regard, first workshop was held in Lahore and second in Karachi involving government departments, civil society, intelligentsia, academia, etc. Similar workshops will be held in other provinces to make the process more inclusive. Planning Commission has also got feedback on prioritization from divisional level workshops on priority areas.

5.10 Ministry of Planning, Development & Reform in collaboration with provincial Planning and Development Departments and UNDP has planned to sensitize about SDGs at grass root levels and disseminate the underlying methodology and usage of the Multidimensional Poverty Index for informed decision making at the district level. In this regard, the Planning Commission has started to organize divisional level seminars. The first of its kind was held in Lahore on September 27, 2016 which will be followed by subsequent seminars in all divisions of four provinces.

5.11 A local government summit was held in Islamabad on March 9, 2017 with active participation of 79 elected heads of District Councils. The summit focused on the role of local governments in achieving SDGs and how an effective monitoring mechanism could be established in districts.

5.12 A reputed consultant has been hired to evaluate private sector readiness for adoption of SDGs. The consultant firm has held extensive consultations with business community in the country to assess and suggest how to internalize SDGs in their processes. The report is under compilation.

5.13 SDGs have been embedded in 25 goals and 7 pillars of the Pakistan Vision 2025 and their monitoring has already started. Five year plan (2013-18) also monitors various SDGs. These are nationally agreed upon documents with broad ownership. Pakistan's Parliament has become the first to have an SDG unit with active SDG Committee of the Parliament. Provincial governments have also formed parliamentary committees on SDGs.

5.14 Federal PSDP and provincial Annual Development Plans (ADPs) of two provinces namely, Sindh and Punjab have made it mandatory for all development projects to have a reference to specific SDG goal and target in the project document beginning July 2017.

5.15 Various consultative meetings were held in Planning Commission with active participation of federating units. A consensus has been reached on enhancing coordination, reporting and data collection through strong linkage between SDG units in each federating unit and the federal SDG Unit in Planning Commission. A harmonized and credible database will also be established with strong coordination between Pakistan Bureau of Statistics (PBS) and provincial Bureaus of Statistics. Federal Ministries have already nominated focal persons to work in close liaison with the Planning Commission towards achievement of SDGs.

Establishment of SDG Center in Planning Commission is a starting point and is followed by four provinces and three special areas (FANA, FATA, GB). These centers will be responsible for:

i. Promoting body of knowledge on the subject of sustainable development through research and analysis

ii. All coordination required for reporting of SDGs

iii. Develop communication strategies for creating awareness about SDGs

iv. Build capacities at all levels of government regarding SDGs data analysis, reporting and policy recommendations

5.16 An appraisal of existing policies, institutional arrangements and capacities, means of financing, and scope is being done at federal and provincial levels which will be gradually extended to districts. Pakistan is prioritizing its agenda as follows:

- Review global SDGs and formulate own goals and targets in the national context
- Establish closer alignment between global SDGs and national and provincial annual and long-term development plans
- Broad-based stakeholder engagement for greater ownership and synergies among government, academia, civil society, and the private sector
- Establish an efficient system to monitor/track and review progress
- An effective reporting and coordination mechanism at the federal and provincial levels

5.17 The priority areas for Pakistan under SDGs include eradication of poverty and hunger, sustainable and inclusive growth, quality education and health services for all, affordable and accessible energy for all, food and water security, resilient infrastructure, decent and productive employment, access to justice and climate change. These all are part of Pakistan Vision 2025 and 11th Five Year Plan (2013-18).

SDGs and PRSP Synergy

5.18 SDG goals and targets are closely associated with the PRSP initiative. These goals will help accelerate pace of development in PRSP sectors which are going to witness increased budgetary allocations and expenditures, better governance and reforms to facilitate achievement of output and outcome indicators.