

# **POVERTY REDUCTION STRATEGY PAPER**

**THIRD QUARTERLY PROGRESSIVE REPORT  
(July – March)  
FY 2010/11**

**PRSP Secretariat - Finance Division  
Government of Pakistan**

Third Quarterly Progressive Report (July – March) FY 2010/11

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The report has been written by Strengthening Poverty Reduction Strategy (PRS) Monitoring Project, United Nations Development Program (UNDP), Federal Bank of Cooperatives, Islamabad.

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### List of Acronyms

<b>AJ&amp;K</b>	Azad Jammu & Kashmir	<b>LSM</b>	Large Scale Manufacturing
<b>BISP</b>	Benazir Income Support Programme	<b>LP</b>	Larger Program
<b>CDA</b>	Capital Development Authority	<b>MFBS</b>	Micro Finance Banks
<b>CFIs</b>	Commercial Financial Institutions	<b>MFIs</b>	Micro Finance Institutions
<b>CPI</b>	Consumer Price Index	<b>NCRCL</b>	National Centre for Rehabilitation of Child Labour
<b>CSP</b>	Child Support Program	<b>NFNE</b>	Non Food Non Energy
<b>CFY</b>	Current Fiscal Year	<b>NEMIS</b>	National Educationnel Mangement Information System
<b>DAP</b>	Diammonium Phosphate	<b>PBM</b>	Pakistan Bait-ul-Mal
<b>EOBI</b>	Employees Old Age Benefit Institution	<b>PWP</b>	People Works Program
<b>EU</b>	European Union	<b>PRSP</b>	Poverty Reduction Strategy Paper
<b>FANA</b>	Federally Administered Northern Areas	<b>PSE</b>	Public Sector Enterprise
<b>FATA</b>	Federally Administered Tribal Areas	<b>PMFN</b>	Pakistan Micro Finance Network
<b>FED</b>	Federal Excise Duty	<b>PH</b>	Pakistan Homes
<b>FSP</b>	Food Support Programme	<b>PSH</b>	Pakistan Sweet Homes
<b>FY</b>	Fiscal Year	<b>PSDP</b>	Public sector development program
<b>FBR</b>	Federal Board of Revenue	<b>PWP</b>	Peoples Work Program
<b>GDP</b>	Gross Domestic Product	<b>PSH</b>	Pakistan Sweet Home
<b>GOP</b>	Government of Pakistan	<b>Q 3</b>	Quarter 3
<b>ICT</b>	Islamabad Capital Territory	<b>RSPs</b>	Rural Support Programs
<b>IFA</b>	Individual Finance Assistance	<b>SPI</b>	Sensitive Price Index
<b>IDPs</b>	Internally Displaced People	<b>SBP</b>	State Bank of Pakistan
<b>IR</b>	Institutional Rehabilitation	<b>TT</b>	Tetanus Toxoid
<b>KPP</b>	Kyber Pakhtoon Khawa	<b>VTC</b>	Vocational Training Center
<b>LFS</b>	Labour Force Survey	<b>WPI</b>	Wholesale Price index
<b>LHWs</b>	Lady Health Workers	<b>WWF</b>	Workers Welfare Fund
		<b>YoY</b>	Year-on-Year

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### 1. Introduction

1.1 This Poverty Reduction Strategy Paper (PRSP) Third Quarterly (Q3) progress report for FY 2010/11 is the 25<sup>th</sup> report, since the monitoring of pro-poor budgetary and non-budgetary expenditures began in 2001. This report is also ninth of the quarterly reports since the PRSP-II was finalized in FY2008/09. The PRSP-II covers the three-year period FY 2008/09 – FY 2010/11. The PRSP-II has been a successful strategy, as sound progress has been made in all pro-poor sectors during the last eight years. During 2003 and onwards, the Strategy focused on four pillars, i.e. (i) Accelerating Economic Growth; (ii) Improving Governance; (iii) Investing in Human Capital; and (iv) Targeting the Poor and the Vulnerable. Taking into account recent socio-economic developments, both domestic and international, the PRSP-II has been built upon the government's nine-point economic reform-poverty reduction agenda encompassing the following nine pillars, (i) Macroeconomic Stability and Real Sector Growth; (ii) Protecting the Poor and the Vulnerable; (iii) Increasing Productivity and Value Addition in Agriculture; (iv) Integrated Energy Development Programme; (v) Making Industry Internationally Competitive; (vi) Human Development for the 21<sup>st</sup> Century; (vii) Removing Infrastructure Bottlenecks through Public Private Partnerships (PPPs); (viii) Capital and Finance for Development; and (ix) Governance for a Just and Fair System.

1.2 The economy registered a lower growth compared to the estimates as provisional numbers have been announced owing to floods that hit the country in August 2010. The catastrophe was huge and its effects can still be felt. Production of most major crops remained low but minor crops helped in positive growth for agriculture sector. Impressive growth in the Services sector was a saving grace. The post-flood supply disruptions, which were the key cause of high inflation, were of temporary nature but the inflation still remains in double digit. On the fiscal front, the spending levels had been contained to some extent and the fiscal deficit remains difficult to manage manageable. In spite of these negative developments, external sector remained comfortable on account of rising textile prices and buoyant remittance. Country's reserves recorded a high level and exchange rate maintained its stability. Looking forward, rise in international petroleum prices pose challenges to create a balance between the options to choose a lower fiscal balance and consideration to reduce poverty by holding back the effects of international oil price rise. Revenue mobilization and tax collection assume critical importance in Government's efforts to cut the fiscal deficit, not through reductions in development spending but through generation of additional tax revenues.

1.3 Pro-poor spending registered a healthy growth of 18.13 percent YoY basis, increasing from Rs. 651,231 million during Q3 of FY 2009/10 to Rs. 769,283 million in the same period of Current Fiscal Year (CFY). Under current expenditures, Natural Calamities & Disasters, Land Reclamation, Agriculture, and Social Security & Welfare witnessed substantial spending increases. Governance related sectors i.e. Law & Order and Justice Administration experienced rising trends consistent with increasing security spending needs. PWP I & II were characterized by negative spending trends as the government diverted funds to meet the needs of masses affected by the massive floods of August 2010. Similarly, development expenditures in all pro-poor sectors declined significantly except Justice and Administration. The decline in remaining sectors is a continuation of the government's policy to utilize the limited budgetary resources for

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reconstruction of the damaged infrastructure, provision of basic needs for affected population and restoration of their livelihood.

1.4 Overall transfers through protecting the poor and vulnerable programs registered a mix trend. The total amount disbursed through different programmes including Budgetary and Non-budgetary transfers was Rs. 25,470 m showing a slight increase of 1 percent in the disbursements as of quarter 3 of the FY 2010/11 against the same period last year. The total beneficiaries of all these programs were 3.05 m showing a high decrease of 39 percent under the comparison period. However, data on Zakat programs for the period up to third quarter was not received from the Zakat and Usher Ministry which has now been devolved to the provinces. A total of Rs. 17.57 billion was disbursed under the BISP cash grant program against Rs.17.97 billion explaining a slight decreasing trend of 2 percent under the comparison period. Under the PBM, the total disbursement increased from Rs. 1,652 m to Rs.1677.11 m showing a slight increase of 2 percent in disbursement under the comparison period. The total amount disbursed under micro credit was Rs. 24,798 million showing an increase of 12 percent whereas the total loans were 1,291,080 declined to 3 percent under the comparison period.

1.5 This Third Quarterly Progress Report covers the status of tracking poverty reduction efforts during Q3 of FY 2010/11 (July – March). Chapter 1 of the report briefly introduces the PRSP-II and its nine pillars. Chapter 2 gives an overview of Pakistan's economy along with a brief discussion on key macroeconomic indicators. This section also compares the economic progress of Q3 FY 2010/11 with Q3 of FY 2009/10. Chapter 3 gives an analysis of the budgetary expenditures for 17 pro-poor sectors in general, and education and health sectors in particular. Chapter 4 highlights both budgetary and non-budgetary modes to provide social protection to the poor and vulnerable and also illustrates expenditure details of the non-budgetary programmes. Chapter 5 briefly discusses monitoring of PRSP output (intermediate) indicators.

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### 2. Trends in Macroeconomic Indicators

#### 2.0 Overview:

2.1 The economy has posted a still fragile recovery in the first nine months of the current fiscal year. The overall growth has been cut by almost 2 percentage points as a result of massive floods that wiped out much of the agricultural output and infrastructure. However, on the brighter side the post-flood recovery in wheat, sugarcane and minor crops assisted the growth in agriculture sector in exceeding the previous year's level. In the manufacturing sector, regardless of strong demand, supply side bottlenecks hampered the production levels and led to a significant slowdown in industrial growth. Although the post-flood hike in CPI inflation has largely receded, inflation is stubborn.

**Table 2.1 Pakistan: Selected Economic Indicators**

	2009/10	2010/11
	Jul-Mar	Jul-Mar
<b>Economic growth and inflation</b>	(Percentage change; unless otherwise indicated)	
Real GDP growth (at factor cost) 1/	3.8	2.4
Nominal GDP growth (at market prices) 1/	16.6	21.7
Consumer prices (period average)	9.4	14.0
<b>Fiscal sector</b>	(In percent of GDP; unless otherwise indicated)	
Revenue and grants	9.7	8.4
Tax revenue	6.8	6.2
Grants	0.2	0.2
Total expenditures (incl. net lending)	13.7	12.6
Current expenditure	11.2	10.6
Development expenditure and net lending	2.5	2.0
Overall balance (incl. grants)	-4.0	-4.2
Overall balance (excl. grants)	-4.2	-4.3
<b>Balance of payments</b>		
Balance on Goods & Services	-5.7	-4.4
Exports of Goods & Services	9.9	10.5
Imports of Goods & Services	15.6	14.9
Transfers	5.3	5.4
Private	5.0	5.3
Current account balance (incl. transfers)	-1.8	0.02
Gross official reserves 2/	3.3	4.3
<b>Memorandum items:</b>		
Nominal GDP at market prices (in bn. of rupees) 1/	14,836	18,063
Rupees per U.S. dollar (period average)	83.7	85.7
Sources: State Bank of Pakistan, Ministry of Finance		
1/ Data corresponds to complete fiscal year, revised for 2009/10 and provisional for 2010/11.		
2/ In months of next year's imports of goods and services.		

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2.2 Containing the fiscal deficit appears to be a much difficult task for the government. Although the government has somehow managed to restrain spending but the revenue growth has been weak. Secondly, most of the development expenditures have been cut in order to adjust to other urgent needs on limited budgetary resources. In order to finance a widening budget deficit, the government has had to recourse to domestic sources as external inflows remained quite low. This practice has posed serious implications for domestic debt management.

2.3 On a positive note, the external sector showed significant improvement. Specifically, strong growth of textile exports and robust remittances helped the current account balance to record a surplus after six consecutive years. Additionally, exchange rate remained stable owing to positive developments in the external account.

2.4 Going forward, prudent management by introducing solid revenue generating measures will not only ensure fiscal and debt sustainability but will also protect the external account position and restore confidence of the private sector and development partners. More importantly, this will help in reducing inflation and the crowding out of private sector credit, thereby facilitating investment, growth and employment opportunities.

### **2.1 Real Sector:**

2.5 FY11 has proven to be a dismal year for Pakistan's already depressing economy. The economy failed to achieve the targeted GDP growth of 4.5% and posted a growth of 2.4%. This downtrend in GDP was expected due to the devastating floods of 2010 which forced the government to divert development funds away from public construction projects to disaster management and rehabilitation. Consequently, investment and productive capacity in the country faltered.

2.6 The energy deficit in the country due to gas supply constraints and rising furnace oil prices also hampered growth. The real sector performance was also adversely impacted by growing macroeconomic imbalances especially fiscal deficit and inflation. Another worrisome trend was the decline in investment for a third consecutive year.

2.7 On the positive side, the only growth stimulus came from the external front. The recovery in developed economics helped boost Pakistan's exports (textile and leather) and led to a record inflow of remittances.

#### **2.1.1 Agriculture:**

2.8 The agriculture sector showed improvement after the devastating impact of the floods of 2011. This recovery can be mainly attributed to the livestock sub-sector, followed by minor crops as farmers focused more on these after the floods and some major crops. Sugarcane production increased from the earlier estimates of 49.4 million to 53.7 million due to the floods and favorable weather conditions. The wheat crop had a record produce of 24.2 million. This surge in the wheat crops was witnessed due to improved water availability, supportive weather conditions and increased area under cultivation and better yields in barani areas in Punjab and Sindh. However, this strong performance of wheat and sugarcane does not transcend to rise in rural incomes due to lower market prices of wheat and rising input costs. The agriculture sector is expected to

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show further improvement in FY12 due to recovery in rice and cotton and improved water availability. However, rising urea prices remains a highlighted issue going forward.

<b>Table 2.2 : Production and area under cultivation of major crops and Percentage change</b>								
<b>Crops</b>	<b>Area under Cultivation (million hectares)</b>				<b>Production (million tons; cotton in 'million bales of 0.17009 kg each)</b>			
	<b>FY10<sub>P</sub></b>	<b>FY11<sub>T</sub></b>	<b>FY11<sub>E</sub></b>	<b>YoY growth in FY11</b>	<b>FY10<sub>P</sub></b>	<b>FY11<sub>T</sub></b>	<b>FY11<sub>E</sub></b>	<b>YoY growth in FY11</b>
Cotton	3.106	3.2	2.693	-13.3	12.914	14.010	11.7	-9.4
Sugarcane	0.943	1.07	0.998	5.8	49.373	53.665	53.738	8.8
Rice	2.883	2.708	2.335	-19.0	6.883	6.048	4.713	-31.5
Wheat	9.105	9.045	8.895	-2.3	23.917	25.000	24.213	1.2

P: Provisional, T: Target, E: Estimates

Source: State Bank of Pakistan

### 2.1.2 Large Scale Manufacturing:

2.9 LSM portrayed a declining growth trend of only 1.6% during Jul-Mar, 2011 from 4.4% in the corresponding period of previous year. Most part of this growth is concentrated in Q3-FY11 mainly attributable to three factors i.e. better crop production in Q3 boosted agri-based industries, improved global commodity prices and strong export demand for manufacturing sector goods.

2.10 Among the other industries, cement, cloth, cotton yarn and fertilizer showed improved growth during the quarter under review on account of rising global prices. Though these industries improved growth, their production capacities were truncated by the same two shortages i.e. energy shortages.

2.11 Textile sector performance gives a picture of modest recovery on account of strengthened export demand and healthy cotton influx. However, power outages continue to stall the production activity.

2.12 Automobiles industry growth during Jul-Mar, 2011 was 14.6% higher as compared to corresponding period in previous year. Automobiles demand rose due to increased rural income supported by rising commodity prices during the quarter under review. Government's eagerness to offer incentives for new entrants in local market is another step towards increased competition in local market, which could be a good sign for improved future production of automobiles industry.

2.13 Cement sector performance in Q3-FY11 improved as 14 out of 19 cement companies depicted a huge figure of Rs. 674 million of profit after tax, in contrast to a loss after tax of Rs. 1.4 billion in Q3-FY10. This increased profit is just a reflection of increased cement prices and not increased sales as it declined by 5.9 percent in the third quarter of the fiscal year 2010/11. Bright future prospects for cement sector growth are quite evident from the facts, installation of more cost efficient plants and India's decision to lift non price barriers on cement imports from Pakistan. However, on the

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other hand, rising diesel prices and increase in transportation costs of cement could be a discouraging factor for this sector's growth.

2.14 Construction sector growth sharply declined to almost 0.8% in FY11 as compared to 50-years highest growth of 28.4 percent in FY10. Main reasons for this declining growth are rising construction costs and cement prices (resultant of rising global coal prices). Many public and private construction projects were halted just because of this rise in costs. Among the future prospects there is likelihood of expected benefit for construction industry from these initiatives: (i) FED on cement is planned to be reduced from Rs. 700/MT to Rs. 500/MT and special excise duty has already been withdrawn in budget-FY12. (ii) Construction work on various dams is expected to start in Q4 of FY11. (iii) Post-flood construction works all over the country. (iv) Work on Prime Minister's one million houses scheme.

2.15 Fertilizer production showed a slight growth of 3 percent during Jul-Mar, FY11 as compared to corresponding period last year. As compared to urea, DAP consumption was quite stable during Rabi season (Oct-Mar), however, it is expected to improve for Kharif season (Apr-Sep) on account of expected fall in international prices.

2.16 As we move ahead, energy shortfalls will continue to hamper progress of the manufacturing sector. There is an urgent need of alternative sources of energy, rationalization of tariffs for different users of natural gas and improvement of gas pricing.

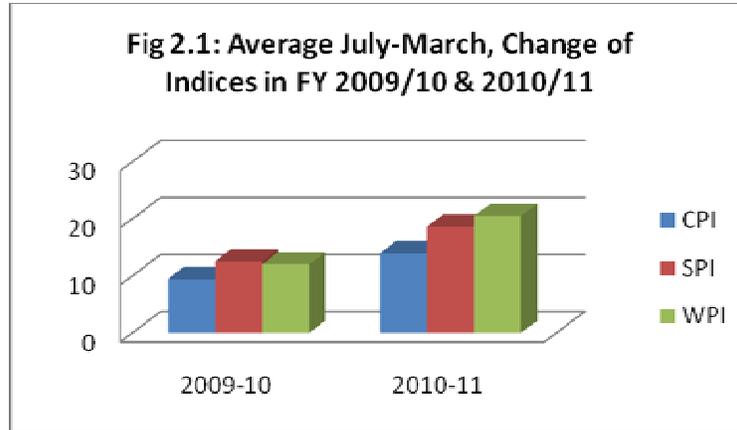
### 2.2 Inflation:

2.17 Inflation levels measured by the three Price indices i.e. Consumer Price Index (CPI), Sensitive Price Index (SPI) and Wholesale Price Index (WPI) during Jul-Mar, 2011 are 13.95 percent, 18.64 percent and 20.5 percent depicting a continued rising trend as compared to 9.43 percent, 12.54 percent and 12.03 percent respectively in corresponding period last year (base year: 2007-08=100). (Table 2.3)

<b>Table 2.3: Average July–March over same period of previous years</b>		
<b>Change of indices in %</b>		
<b>Index</b>	<b>2010-11</b>	<b>2009-10</b>
CPI	13.95	9.43
SPI	18.64	12.54
WPI	20.50	12.03

Source: Federal Bureau of Statistics (FBS)

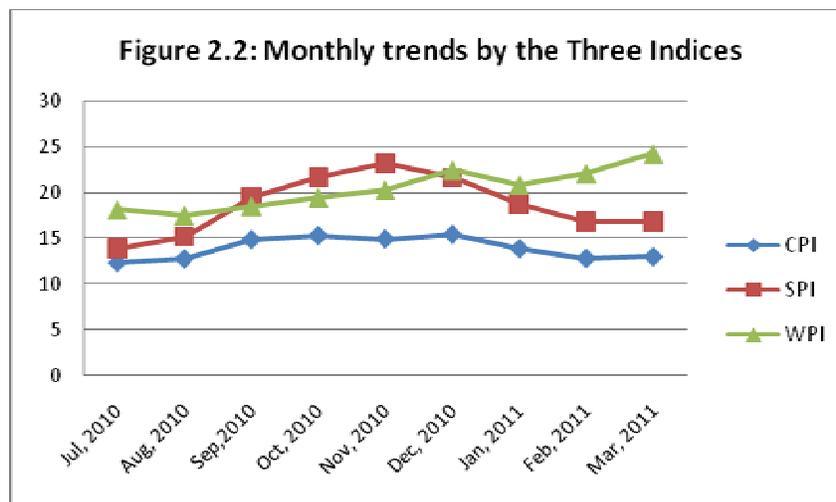
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Source: Federal Bureau of Statistics (FBS)

2.18 As shown by monthly trends of inflation, (Fig 2.2) YoY CPI inflation is declining from its peak point of 15.45 percent in December 2010 to 13.02 percent in March 2011 which is near to the August 2010 level (pre-flood inflation). This supports the fact that the impact of floods on inflation has been diluted. Nevertheless, there are some long-lasting impacts of floods on inflation that cannot be diminished in the short run.

2.19 The deceleration in inflation recorded during November-February 2011 is the resultant of decline in prices of perishable food items, but afterwards this downtrend could not be retained because of rising prices of other items in CPI basket, i.e. non-perishable food items, apparel & textile, cleaning & laundry subgroups and house rent index. Keeping in view these facts and post-flood impacts embedded in inflation, CPI is expected to be around 14 percent for FY11. Core inflation and Wholesale Price Index (WPI) both depicted an uptrend due to higher commodity prices in international markets and increase in prices of non food items respectively.



Source: Federal Bureau of Statistics (FBS)

2.20 Future projections for inflation are still high on account of various observations at national and international level. Expected rise in global commodity prices and oil prices at international level and expected rise in fuel prices, electricity tariffs, and removal of

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various subsidies by the government at national level will further strengthen these expectations of high inflation in near future. The only relief in inflation will be seen from food inflation on account of decline in wheat and sugar prices.

### **2.3 Fiscal Balance:**

2.21 Fiscal position almost retained its position during Jul-Mar, 2011 with a slight increase to 4.3 percent of GDP from 4.2 percent during the same period last year. In view of current economic scenario and fiscal performance, annual target of 5.5 percent of GDP set for FY11 seems to be quite unapproachable. In terms of growth fiscal deficit depicted a growth of 25.1 percent from the corresponding period last year.

2.22 An analysis of expenditures side shows that government has got some control on its spending as depicted by 12.4 percent growth in expenditures during the period under review against an above 20 percent growth in past three years. Notwithstanding, there is room for curtailing expenditures in future through restructuring some loss making Public Sector Enterprises (PSE's) like Pakistan Railways, PIA and Pakistan Steel Mills.

2.23 The re-allocation of development expenditures to disaster management after August 2010 floods imparted adverse impacts on investment prospects of the country. As a result external financing remained below expectations; government relied heavily on domestic sources for financing the budget deficit. Government's borrowings of Rs. 700 billion from domestic sources during July-March 2011 grew by 31.3 percent from Rs. 533.3 billion during same period last year.

#### **2.3.1 Revenues:**

2.24 The revenue target of Rs. 1,667 billion set for FY11, 25.6 percent higher than the actual revenue collection of Rs. 1,327.4 billion in FY10, was based on higher than anticipated economic growth for FY11 but this target was revised on account of expected slowdown in economic growth due to August 2010 floods and energy shortage issues. Hence in view of such economic outlook, revenue target for FY11 was initially revised downward to Rs. 1,604 billion and then further to Rs. 1,587.7 billion.

2.25 Tax revenue collection of Rs. 1,016.9 billion during July-March 2011 against the target of Rs. 1,016.5 billion tends to be a great achievement, as it surmounted the target by 100.04 percent in spite of low economic growth, energy crises issues, and low collection under WHT on account of government's decision to slash down PSDP size. This tax revenue collection of Rs. 1,016.9 billion in Q3-FY11 depicted a healthy growth of 11.8 percent against Rs. 909.6 billion collected in corresponding period of last year.

2.26 All the tax heads except Federal Excise Duty (FED) exhibited a double digit growth in tax collections from corresponding period last year (Table: 2.4). Sales tax and Customs depicted a growth of 14.7 percent and 14.2 percent respectively during July-March 2011 whereas Direct taxes and FED recorded a growth of 9.3 percent and 6 percent respectively. As far as the collection vis-à-vis targets under various tax heads is concerned, FED and Customs surpassed the targets. The reason for below the target performance in case of Direct and Sales taxes is the shortfall in domestic sales taxes due to low economic growth.

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<b>Table 2.4 : Collection vis-à-vis targets in Q3 of FY 2009/10 &amp; 2010/11 and Percentage Change</b>			
<b>Tax Heads</b>	<b>Collection FY 2009/10 (Billion Rupees)</b>	<b>Collection FY 2010/11 (Billion Rupees)</b>	<b>Percentage change</b>
Direct Taxes	342.3	374.2	9.3
Sales tax	371.2	425.6	14.7
FED	84.4	89.5	6.0
Customs	111.7	127.6	14.2
<b>Total</b>	<b>909.6</b>	<b>1,016.9</b>	<b>11.8</b>

Source: Federal Board of Revenue (FBR)

2.27 The contributions made by various tax heads in total tax revenues (Table 2.5) are exhibiting a similar trend with a slight decline in the share of Direct Taxes and FED as shown by 36.80 percent and 8.80 percent in Q3-FY11 as compared to 37.63 percent and 9.28 percent respectively, in corresponding period last year. Contrary to it, the share of Sales tax and Customs has increased from 40.81 percent and 12.28 percent in Q3 of FY10 to 41.85 percent and 12.55 percent respectively during this year.

<b>Table 2.5: Share of Direct and Indirect taxes in Total Tax Revenue in Q3 of FY 2009/10 and FY 2010/11 (in percentage)</b>		
<b>Tax Heads</b>	<b>Q3- FY 2009/10</b>	<b>Q3- FY 2010/11</b>
Direct Taxes	37.63	36.80
Sales tax	40.81	41.85
FED	9.28	8.80
Customs	12.28	12.55

Source: Federal Board of Revenue (FBR)

### **2.4 External Account:**

2.28 External account balance (surplus) of US\$ 1.8 billion during July-March 2011 seems to be quite encouraging as compared to US\$ 0.5 billion in corresponding period last year. This improvement in external account is attributable to the outstanding performance in current account that overshadowed the declining trend of financial account.

2.29 After remaining in deficit for six consecutive years, current account balance recorded a surplus of US\$ 32 million during July-March 2011 as compared to a huge deficit of US\$ 3.1 billion in corresponding period last year. This remarkable current account performance is the resultant of strong growth in exports, worker's remittances and flood-related grants. Exports depicted a growth of 25 percent backed by rising unit prices of textile items and increased demand of textile products in the US and EU countries. However, this textile exports growth does not seem to be a continued trend for future on account of three major themes; firstly, expected shortfall in cotton prices in near future would shrink the price gain on exports, secondly, energy related constraints

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which directly influence production levels and lastly, recovery in global demand is not consistent.

2.30 A strong continued growth of 22.4 percent in worker's remittances during July-March 2011 is another important factor of improved external account balance. Almost 60 percent of remittances were generated from Gulf Regions which have recovered after last year's financial crisis in Dubai. In addition to this, remittances are further expected to grow by the end of FY11.

2.31 In contrast to improved current account performance, financial account surplus declined to US\$ 1.6 billion during July-March 2011 from US\$ 2.9 billion in corresponding period last year. The Foreign Direct Investment declined by 25.2 percent during July-March 2011. Sectors exhibiting these declines in FDI are mainly telecommunications and oil & gas exploration due to increasing circular debt and continually deteriorating law and order situation all over the country.

2.32 Exchange rate of Pak-rupee registered stability during July-March 2011, as it underwent a depreciation of 2.1 percent against a depreciation of 6.4 percent in corresponding period last year. This exchange rate stability is follow on of enhanced external account performance.

### **3.0 Pro-Poor Budgetary Expenditures:**

3.1 Analysis of expenditures incurred on pro-poor sectors is conducted cross sectoral, across the provinces and Federation, and on an aggregated basis. Current and Development Expenditures have also been thoroughly examined to comprehend the relative weightage given to either category in specific sectors and to understand the reasons behind low spending.

3.2 The chapter is organized accordingly. In the first part of the analysis i.e. Section 3.1 trends in expenditures, proportionate shares of sectoral expenditures and provincial variations have been described. In Section 3.2, relative current and development expenditures and their spending patterns are examined. Sections 3.3 & 3.4 analyze the two major sectors; Education and Health to compare their shifts in spending in order to indicate priorities and policies.

#### **3.1 Trends in Expenditure:**

3.3 Total aggregate expenditure incurred in 17 pro-poor sectors up till Q3 of FY 2010/11 amounted to Rs. 769,283 million, marking an increase of 18.13 percent relative to FY 2009/10 up till Q3 (Table 3.1). Ten sectors i.e. Roads, Highways & Bridges; Education; Health; Agriculture; Land Reclamation; Benazir Income Support Programme; Pakistan Bait-ul-Mal; Natural Calamities & Disasters; Law & Order; and Justice Administration witnessed positive growth in the expenditures up till Q3 FY 2010/11 compared to corresponding period in FY 2009/10. The largest increase in PRSP budgetary expenditures up till Q3 of FY 2010/11 was witnessed in Natural Calamities & Disasters (456.5 percent) on account of post-flood large government interventions for the affectees.

3.4 Land Reclamation and Benazir Income Support Programme (BISP) recorded substantial increases in expenditure (75.59 and 48.32 percent respectively) up till Q3 FY 2010/11 relative to the corresponding period last year. The BISP is the flagship programme of the present government targeted exclusively to women of the poor and the vulnerable segments of the society. Pakistan Bait-ul-Mal also incurred a healthy expenditure during the period under review, approximating to 45.82 percent. 39 percent rise is also observed in the category of Justice Administration.

3.5 Growth in expenditures in Roads, Highways & Bridges; Education; Agriculture; and Law & Order is of the same magnitude (20-30 percent) between the first three quarters of the two fiscal years in question, whereas increase in expenditure in Health is modest (within 15 percent).

3.6 Expenditures in eight sectors have contracted sharply up till Q3 FY 2010/11, when compared to the same period in FY 2009/10. Largest drop in expenditure was observed in Low Cost Housing amounting to 85.62 percent. People's Work Programme-II; Population Planning; Rural Development; and Peoples Work Programme-I also underwent sizable decline (between 20-39 percent). Reduction in the expenditures of the remaining sectors was in a lower range of 1-7 percent.

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**Table-3.1 PRSP Sectoral Budgetary Expenditures and Percentage Changes Between Q-3 FY2009/10 and Q-3 FY 2010/11**

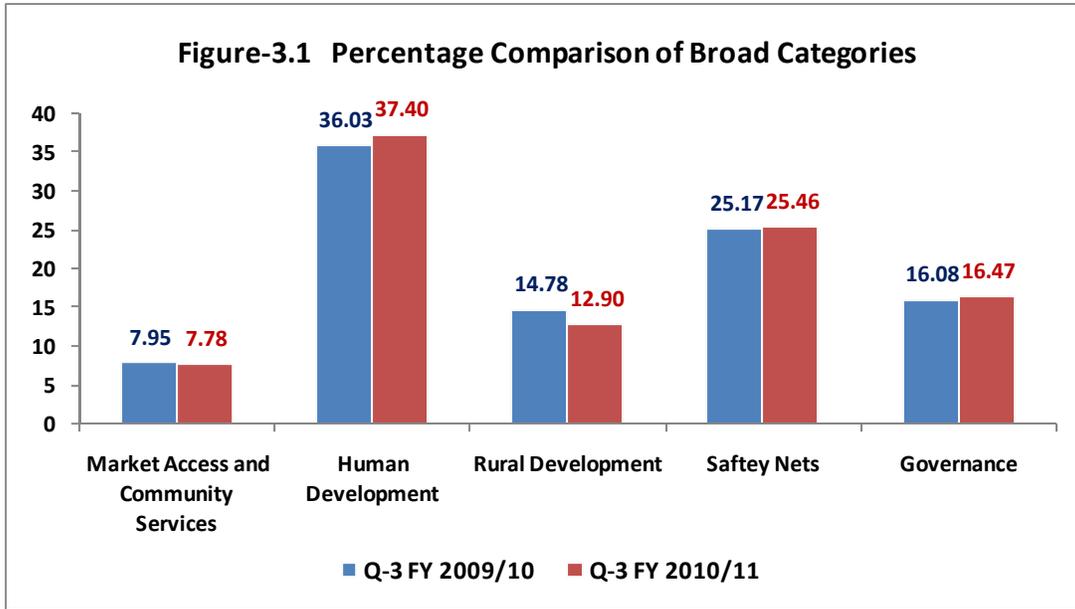
Sector	Expenditure (Rs. millions)		Percentage Change
	Q-3 FY 2009-10	Q-3 FY 2010-11	
<b>Market Access and Community Services</b>	<b>51,758</b>	<b>59,681</b>	<b>15.31</b>
Roads, Highways, & Bridges	38,797	46,887	20.85
Environment/Water Supply & Sanitation	12,961	12,794	-1.29
<b>Human Development</b>	<b>234,611</b>	<b>286,745</b>	<b>22.22</b>
Education	175,291	219,754	25.37
Health	55,037	63,674	15.69
Population Planning	4,283	3,317	-22.55
<b>Rural Development</b>	<b>96,284</b>	<b>98,902</b>	<b>2.72</b>
Agriculture	53,262	68,636	28.86
Land Reclamation	1,303	2,288	75.59
Rural Development	10,690	8,439	-21.06
People's Works Programme-I	2,522	2,030	-19.51
People's Works Programme-II	28,507	17,509	-38.58
<b>Safety Nets</b>	<b>163,890</b>	<b>197,687</b>	<b>20.62</b>
Subsidies	128,439	119,424	-7.02
Social Security & Welfare	7,772	7,428	-4.43
Benazir Income Support Programme	17,696	26,246	48.32
Pakistan Bait-ul-Maal	1,652	2,409	45.82
Natural Calamities & Other Disasters	7,559	42,069	456.54
Low Cost Housing	772	111	-85.62
<b>Governance</b>	<b>104,688</b>	<b>126,268</b>	<b>20.61</b>
Justice Admn	7,126	9,913	39.11
Law and Order	97,562	116,355	19.26
<b>GRAND TOTAL</b>	<b>651,231</b>	<b>769,283</b>	<b>18.13</b>

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

3.7 Subsidies have registered negative trend of 7.02 percent which is explained by the concerted effort of the government to move away from across the board subsidization and provide direct assistance to the poor and deserving. On the other hand, the Food Support Programme incurred no expenditure as it comprises of Punjab Food Support Programme and Pakistan Bait-ul-Mal component which has been merged in Benazir Income Support Programme as part of the policy to consolidate all the cash transfer programmes.

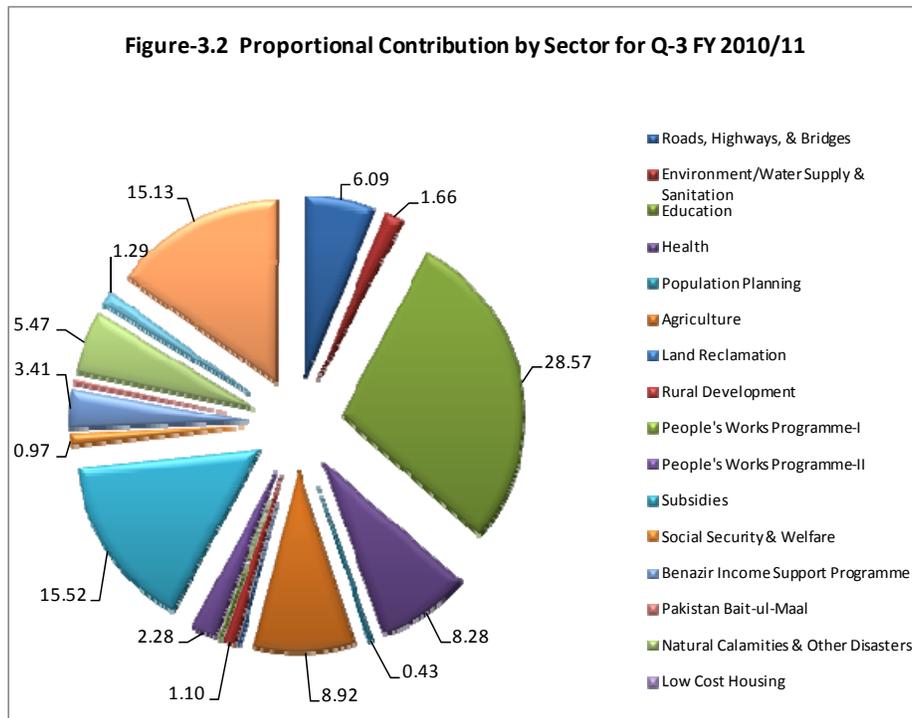
3.8 Human Development retained its highest proportion in aggregate spending, followed by Safety Nets and Governance when the trend is analyzed in terms of broad categories. These three heads have also increased by slight proportions in comparison to previous year's Q3 position. Rural Development and Market Access & Community Services, on the other hand, displayed a reduction in their shares to the total of Q3 FY 2010/11 as opposed to Q3 FY 2009/10 percentages (Figure 3.1).

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### 3.1.1 Distribution of Expenditures

3.9 This section is based on the computation of proportional shares of expenditure of each sector in the total expenditures (Figure 3.2). The largest proportion of PRSP budgetary expenditures relative to total expenditure up till Q3 of FY 2010/11 is observed in Education (28.57 percent) followed by Subsidies (15.52 percent); and Law & Order (15.13 percent). Agriculture (8.92 percent); Health (8.28 percent); and Roads, Highways & Bridges (6.09 percent) hold somewhat equivalent shares in total expenditure incurred on social sectors.



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3.10 An increase in the budgetary share allocated for education was witnessed as the share of Education increased from 26.92 percent in the PFY to 28.57 percent in the CFY increasing by 1.65 points (Table 3.2). There was also an increase in the share allocated to Agriculture evident by the rise in percentage contribution of Agriculture from 8.12 percent in Q3 PFY to 8.92 percent in the corresponding period of CFY while there was a fall in the share of Health and Population Planning between the two years under discussion.

3.11 Share of Law & Order has marginally moved up from 14.98 percent during Q3 of PFY to 15.13 percent in the corresponding period of the CFY, gaining 0.14 percentage points. The share of Subsidies has fallen substantially by around 4.2 percentage points during the comparison period. This diminishing trend is a welcome development and shows the unrelenting commitment of the government to move away from untargeted regime of subsidies.

**Table-3.2 Comparison of Proportional Contribution by Sector in PRSP Expenditures Between Q-3 FY2009/10 and Q-3 FY 2010/11**

Sector	Q-3 FY 2009-10	Percentage Share	Q-3 FY 2010-11	Percentage Share
Roads, Highways, & Bridges	38,797	5.96	46,887	6.09
Environment/Water Supply & Sanitation	12,961	1.99	12,794	1.66
Education	175,291	26.92	219,754	28.57
Health	55,037	8.45	63,674	8.28
Population Planning	4,283	0.66	3,317	0.43
Agriculture	53,262	8.18	68,636	8.92
Land Reclamation	1,303	0.20	2,288	0.30
Rural Development	10,690	1.64	8,439	1.10
People's Works Programme-I	2,522	0.39	2,030	0.26
People's Works Programme-II	28,507	4.38	17,509	2.28
Subsidies	128,439	19.72	119,424	15.52
Social Security & Welfare	7,772	1.19	7,428	0.97
Benazir Income Support Programme	17,696	2.72	26,246	3.41
Pakistan Bait-ul-Maal	1,652	0.25	2,409	0.31
Natural Calamities & Other Disasters	7,559	1.16	42,069	5.47
Low Cost Housing	772	0.12	111	0.01
Justice Admn	7,126	1.09	9,913	1.29
Law and Order	97,562	14.98	116,355	15.13
<b>GRAND TOTAL</b>	<b>651,231</b>	<b>100.00</b>	<b>769,283</b>	<b>100.00</b>

Source: PRSP Secretariat, Finance Division, Islamabad.

3.12 A noticeable change has been observed in Natural Calamities & other Disasters as the government tries to alleviate the sufferings of public amid the natural catastrophe of flood. As a result, the share of this subsector has increased manifold from a mere 1.16 percent in Q3 FY 2009/10 to a huge 5.47 percent in the period under review. As the government enters the next phase of reconstruction of housing, infrastructure and other

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facilities in the flood-hit areas of the country, the share of many related subsectors is bound to rise in the coming year.

### 3.1.3 PRSP Budgetary Expenditures by Province and Sectors

3.13 Table 3.3 illustrates the variations in PRSP budgetary expenditures at federal and provincial level by sectors and their specific contribution to overall change in expenditures. At federal level there is an increase of 6.80 percent in pro-poor budgetary expenditures. Largest increase in provincial PRSP budgetary expenditures is observed in Balochistan (63.90 percent); followed by Sindh (42.17 percent). Expenditure incurred in Punjab (23.51 percent) was the lowest, while Khyber Pakhtunkhwa registered decline in overall expenditure (-1.73 percent) which can be traced to negative expenditures in four sectors: Environment/Water Supply & Sanitation; Education; Rural Development and Law & Order.

3.14 In Natural Calamities & Other Disasters, federal level expenditures were enormous (419.71 percent) All the provinces have experienced a substantial increase in spending on this sector with the highest increase happening in Balochistan (3103 percent). The next most promising increase in expenditure up till Q3 FY 2010/11 over the same period in FY 2009/10 at the federal level was witnessed in Environment/Water Supply & Sanitation; BISP; Pakistan Bait-ul-Mal; Law & Order and Social Security & Welfare. Punjab shows the highest increase in Subsidies while Land Reclamation recorded the greatest increase after Natural Calamities & Other Disasters in case of Sindh. KPK depicts the highest percentage change in Social Security & Welfare up till Q3 FY 2010/11 as compared to last year, whereas Balochistan records the largest increase in Rural Development that comes second after Natural Calamities & Other Disasters.

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**Table-3.3 Percentage Change in PRSP Expenditures by Sector and by Province in Q-3 2009/10 and Q-3 2010/11**

Sector	Federal	Punjab	Sindh	KPK	Balochistan	Pakistan
Roads, Highways, & Bridges	1.05	23.40	7.92	3.41	84.48	20.85
Environment/Water Supply & Sanitation	94.84	-1.02	-4.71	-39.44	38.38	-1.29
Education	22.96	25.76	47.51	-23.25	79.36	25.37
Health	9.55	10.95	25.15	2.38	88.78	15.69
Population Planning	-64.62	16.42	27.07	20.47	43.01	-22.55
Agriculture	15.13	19.85	59.44	43.95	40.23	28.86
Land Reclamation	0.00	7.69	85.71	0.00	0.00	75.59
Rural Development	-13.19	-68.96	15.79	-15.44	178.43	-21.06
People's Works Programme-I	-19.51	0.00	0.00	0.00	0.00	-19.51
People's Works Programme-II	-38.58	0.00	0.00	0.00	0.00	-38.58
Subsidies	-11.97	1218.16	-33.24	6.66	0.00	-7.02
Social Security & Welfare	30.56	3.86	-17.68	141.18	144.23	-4.43
Benazir Income Support Programme	48.32	0.00	0.00	0.00	0.00	48.32
Pakistan Bait-ul-Maal	45.82	0.00	0.00	0.00	0.00	45.82
Natural Calamities & Other Disasters	419.71	688.31	1749.59	114.66	3103.03	456.54
Low Cost Housing	0.00	-85.99	-81.03	0.00	0.00	-85.62
Justice Admn	0.74	50.26	43.90	59.88	25.60	39.11
Law and Order	35.87	6.96	30.12	-4.25	25.50	19.26
<b>GRAND TOTAL</b>	<b>6.80</b>	<b>23.51</b>	<b>42.17</b>	<b>-1.73</b>	<b>63.90</b>	<b>18.13</b>

Source: PRSP Secretariat, Finance Division, Islamabad.

3.15 Two allied sectors, People's Works Programme-I and II, recorded substantial contraction, at the federal level. Largest decline in expenditure at the federal level was observed in Population Planning with the provinces (except Balochistan) showing reduced spending in Environment/Water Supply & Sanitation. Similarly, with only Balochistan and Sindh observing a positive trend in expenditure in Rural Development, enormous reductions were witnessed in the rest of the provinces and at the federal level.

3.16 Education presents a mixed picture with robust growth in Balochistan (79.36 percent) followed by Sindh (47.51 percent); moderate growth in Punjab (25.76 percent); offset with highly negative trend in KPK (-23.25 percent); and positive but muted growth at the federal level (22.96 percent). Similarly, Health reflected an increasing trend in expenditure up till Q3 FY 2010/11 in all provinces and at the federal level as well.

### **3.2 Current and Development Expenditure**

3.17 This section deals with the analysis of aggregate current and development expenditures and the differences observed among provinces between the two categories over Q3 FY 2010/11 and FY 2009/10 with the objective to identify the unusual reductions in total expenditures caused by decrease in development spending at federal and provincial levels.

3.18 Table 3.4 shows the total current and development expenditure and percentage change up till Q3 FY 2009/10 and FY 2010/11. Current expenditure up till Q3 FY

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2010/11 increased by 28.98 percent while development expenditure registered a substantial decline of 13.78 percent.

<b>Table-3.4 Total PRSP Current and Development expenditures for Q3 of FY 2009/10 and 2010/11</b>			
	Current	Development	Total
Q-3 FY 2009-10	485,927	165,304	651,231
Q-3 FY 2010-11	626,764	142,519	769,283
Percentage change	28.98	-13.78	18.13

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

3.19 Decline in development expenditure can be attributed to urgent demands of temporary nature which came hard on pro-poor spending resulting in substantial reductions, more so in development expenditure during Q3 FY 2010/11.

3.20 Table 3.5 presents percentage change in current and development expenditure at federal and provincial levels up till Q3 FY 2010/11 relative to Q3 FY 2009/10. Development expenditures witnessed massive reductions in all provinces except Balochistan and also at the federal level. Although current expenditures increased but the effect was neutralized by reduced development spending. Development expenditures in Punjab were the worst sufferers of development budget cuts followed by KPK and Sindh. Highest increase in current expenditure took place in Balochistan with enormous growth in expenditure in Natural Calamities & Other Disasters being the predominant factor contributing to this increase.

<b>Table-3.5 Percentage Change in PRSP Current and Development Expenditures by Province for Q3 of FY 2009/10 and 2010/11</b>						
Province	Q-3 FY 2009-10		Q-3 FY 2010-11		Percentage change	
	Current	Development	Current	Development	Current	Development
Federal	201,199	74,089	240,716	53,280	19.64	-28.09
Punjab	151,081	42,511	202,492	36,608	34.03	-13.89
Sindh	68,774	22,552	107,555	22,279	56.39	-1.21
KPK	45,368	19,890	44,728	19,214	-1.41	-3.40
Balochistan	19,505	4,392	31,273	7,612	60.33	73.32
Pakistan	485,927	165,304	626,764	142,519	28.98	-13.78

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

3.21 Table 3.6 presents the percentage change in current and development expenditure of pro-poor sectors during Q3 FY 2010/11 over Q3 FY 2009/10. Only two sectors, Justice Administration and Roads, Highways & Bridges have experienced positive change in development spending higher than current expenditure. These sectors have shown healthy growth trends in expenditure which is helped by positive change in both current and development expenditure.

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Sector	Current	Development	Total
Roads, Highways, & Bridges	19.97	21.04	20.85
Environment/Water Supply & Sanitation	20.18	-14.39	-1.29
Education	32.13	-13.17	25.37
Health	21.29	-4.81	15.69
Population Planning	4.37	-23.76	-22.55
Social Security & Welfare	49.45	-17.84	-4.43
Natural Calamities & Other Disasters	532.62	-37.90	456.54
Agriculture	63.10	-5.01	28.86
Land Reclamation	75.59	0.00	75.59
Rural Development	24.39	-23.66	-21.06
Law and Order	20.55	-80.16	19.26
Low Cost Housing	-19.84	-98.45	-85.62
Justice Admn	30.25	181.97	39.11
Subsidies	-2.65	-99.81	-7.02
People's Works Programme-I	-	-19.51	-19.51
People's Works Programme-II	-	-38.58	-38.58
Benazir Income Support Programme	48.32	-	48.32
Pakistan Bait-ul-Maal	45.82	-	45.82
<b>GRAND TOTAL</b>	<b>28.98</b>	<b>-13.78</b>	<b>18.13</b>

Source: PRSP Secretariat, Finance Division, Islamabad.

3.22 Negative expenditure trend in eight sectors up till Q3 FY 2010/11, relative to corresponding period in FY 2009/10 appears to have been driven by significant reduced growth in their development spending. Enormous reduction in development spending in Low Cost Housing; People's Works Programme-II and I (-98.45; -38.58; and -19.51 percent respectively) has caused the largest declining trend in expenditure of these sectors. The development expenditures incurred on account of Subsidies underwent a gigantic decrease (99.81 percent)

3.23 Current expenditures in Natural Calamities & Other Disasters; Land Reclamation; and Agriculture have increased substantially (532.62; 75.59 and 63.10 percent, respectively). These 3 sectors have contributed considerably in raising the current expenditure up till Q3 FY 2010/11.

### 3.3 PRSP Expenditures in Education Sector

3.24 Up till Q3 FY 2010/11 Education expenditure increased by a modest 25.37 percent with a total education expenditure of Rs. 219,754 million as compared to Rs. 175,291 million in the corresponding period in FY 2009/10. Nearly all the subsectors have experienced positive growth in expenditures; maximum rise has been observed in Others, Gen. Universities, Colleges & Institutes Education, followed by Professional &

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Technical Universities. The percentage change in Teacher & Vocational Training, though positive, is less than remaining subsectors (Table 3.7).

3.25 Overall expenditure in Primary Education was dragged down by an enormous decrease observed in KPK. Same is the case with Secondary Education. In General Universities, expenditure incurred in KPK and Balochistan caused an overall positive reflection of expenditure in this sub-sector.

3.26 In Professional Universities, Balochistan and Punjab have diverged from the positive growth in expenditure. Overall trend in Teacher and Vocational Training has emerged as positive, strengthened by extraordinary growth in Sindh, and moderate trends in Balochistan and Punjab. Similarly, overall healthy positive change in 'Others' was reflected, not being weighed down by highly negative trend in KPK.

Education sub-sector	Federal	Punjab	Sindh	KPK	Balochistan	Total
Primary Education	28.41	31.45	38.32	-41.64	75.64	24.53
Secondary Education	35.49	16.80	40.96	-35.10	116.08	17.17
General Universities, Colleges, & Institutes	19.86	38.63	34.66	103.54	68.28	30.86
Professional & Technical Universities, Colleges & Institutes	47.66	-22.74	40.05	27.41	-45.00	28.83
Teacher & Vocational Training	2.44	8.24	56.91	0.00	38.26	11.12
Others	0.62	30.45	94.77	-58.38	78.93	36.64
Total	22.96	25.76	47.51	-23.25	79.36	25.37

Source: PRSP Secretariat, Finance Division, Islamabad.

3.27 Distribution of expenditure in sub sectors of education at federal and provincial levels (Table 3.8) reflects relative priority accorded to Primary; Secondary; and Higher Education. Up till Q3 of both FY 2009/10 and FY 2010/11, proportional expenditures in the sub sectors of Education have followed identical trends at federal and provincial levels. Highest amount of total expenditure was observed in Primary and Secondary Education in all four Provinces. Federal level expenditure showed a reverse trend where highest proportion of expenditure was observed in University/College Education followed by Professional Universities Education. 'Others' and University/College Education held equivalent or close proportions in two provinces (Sindh and Balochistan) while in Punjab expenditure incurred in the category 'Others' was far greater than Higher Education (General & Professional Universities) and Vocational Training. The reverse holds true for KPK.

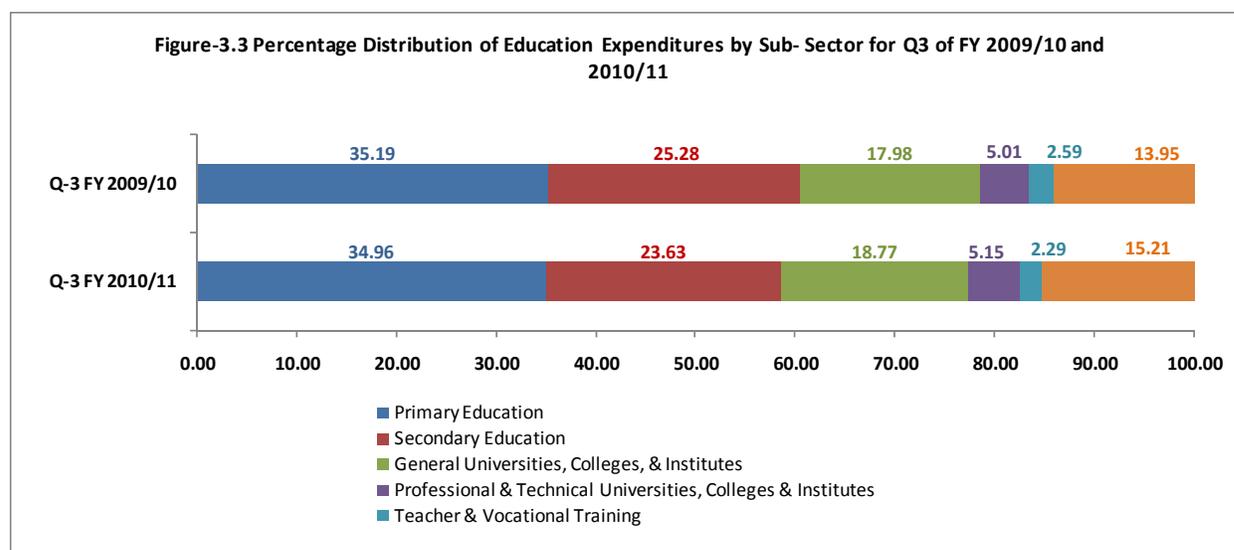
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Table-3.8 Percentage Distribution of Education Expenditures for Q3 of FY 2009/10 and 2010/11						
	Federal	Punjab	Sindh	KPK	Balochistan	Total
Q-3 FY 2010-11						
Primary Education	7.67	43.90	41.45	29.16	32.73	34.96
Secondary Education	10.11	25.86	24.49	32.39	34.15	23.63
General Universities, Colleges, & Institutes	57.95	8.72	9.08	20.84	9.28	18.77
Professional & Technical Universities, Colleges & Institutes	14.44	0.90	4.06	13.68	1.74	5.15
Teacher & Vocational Training	0.10	4.53	0.55	0.00	1.72	2.29
Others	9.72	16.08	20.37	3.94	20.38	15.21
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Q-3 FY 2009-10						
Primary Education	7.34	42.01	44.20	38.34	33.43	35.19
Secondary Education	9.18	27.85	25.63	38.30	28.35	25.28
General Universities, Colleges, & Institutes	59.45	7.91	9.95	7.86	9.89	17.98
Professional & Technical Universities, Colleges & Institutes	12.02	1.47	4.27	8.24	5.68	5.01
Teacher & Vocational Training	0.13	5.27	0.52	0.00	2.23	2.59
Others	11.88	15.50	15.43	7.26	20.43	13.95
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Source: PRSP Secretariat, Finance Division, Islamabad.

3.28 Up till Q3 of both FY 2010/11 and FY 2009/10, Punjab was the only province with the least amount of expenditure in Professional and Technical Universities, deviating from the trend observed in other provinces. This reflects Punjab's emphasis towards Elementary and Secondary school education.

3.29 The proportion spent in both sub sectors of higher education (Professional and General Universities) was more or less the same in remaining provinces up till Q3 FY 2009/10 and FY 2010/11. Teacher and Vocational Training held the smallest share in total Education expenditure in all provinces except Punjab and at the federal level during the corresponding periods of both FY 2009/10 and FY 2010/11.



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### 3.4 PRSP Expenditures in Health Sector

3.30 Overall expenditure in Health, irrespective of province and sub sectors, grew by 15.69 percent (Table 3.9) with positive trends in all except one sub sector (Mother & Child Health). Like Education, unusual trends by one or two provinces or at federal level contributed to lowering the overall sectoral expenditure growth. For instance, negative expenditure change in KPK in General Hospitals; and in Health Facilities & Preventive Measures in Punjab and Sindh were exceptions to overall sub sectoral trends. Negative expenditure in 'Mother & Child Health' in all provinces, resulted in negative overall expenditure growth in 'Others'.

Health sub-sector	Federal	Punjab	Sindh	KPK	Balochistan	TOTAL
<i>General Hospitals &amp; Clinics</i>	11.64	13.67	23.10	-0.43	167.19	17.52
<i>Mother &amp; Child Health</i>	33.33	-15.06	0.00	-30.77	-62.50	-17.37
<i>Health Facilities &amp; Preventive Measures</i>	8.57	8.33	24.61	-44.04	54.76	10.38
<i>Others</i>	-2.66	-2.63	38.64	95.47	4.89	11.98
<b>Total</b>	<b>9.55</b>	<b>10.95</b>	<b>25.15</b>	<b>2.38</b>	<b>88.78</b>	<b>15.69</b>

Source: PRSP Secretariat, Finance Division, Islamabad.

3.31 The proportionate share of spending in sub sectors in overall Health expenditure (Table 3.10) reflects the similar pattern in all four provinces in both FY 2010/11 and FY 2009/10. General Hospitals held the maximum in all provinces; followed by expenditure in 'Others'. In Health Facilities & Preventive Measures, there was a slight deviation among provinces; with Punjab and KPK spending much less while other provinces spending a considerable proportion of total Health expenditure in this sub sector. However, at the federal level, there was a marked difference since above 53 percent of the total Health expenditure was incurred in Preventive Health up till Q3 FY 2010/11, higher than General Hospitals. Combined together, General Hospitals; and Health Facilities & Preventive Measures accounted for nearly 90 percent of the total Health expenditure in both years i.e. FY 2009/10 and FY 2010/11.

Health sub-sector	Federal	Punjab	Sindh	KPK	Balochistan	Pakistan
<b>Q-3 FY 2010-11</b>						
General Hospitals & Clinics	44.03	85.09	75.82	84.89	66.60	74.18
Mother & Child Health	0.03	0.51	0.00	0.15	0.07	0.25
Health Facilities & Preventive Measures	53.17	1.13	10.77	3.57	12.77	13.95
Others	2.77	13.27	13.42	11.39	20.56	11.63
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>Q-3 FY 2009-10</b>						
General Hospitals & Clinics	43.21	83.05	77.08	87.29	47.06	73.02
Mother & Child Health	0.03	0.67	0.00	0.22	0.37	0.35
Health Facilities & Preventive Measures	53.65	1.16	10.81	6.52	15.58	14.62
Others	3.11	15.13	12.11	5.97	37.00	12.02
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Source: PRSP Secretariat, Finance Division, Islamabad.

#### 4. Protecting the Poor and the Vulnerable

4.1 The Government of Pakistan (GOP) recognizes that social protection and provision of social safety nets plays an important role in promoting pro-poor growth and tackling exclusion and inequality. Safety nets in the form of direct cash transfers, both budgetary and non-budgetary comprises of Zakat, Pakistan Bait-ul-Mal (PBM), Employees' Old Age Benefit Institution (EOBI), Benazir Income Support Programme (BISP), Workers Welfare Fund (WWF), and Microfinance. Disbursements under PBM and BISP have been included in the budgetary part of pro-poor expenditures. The performance of these social safety net and other programmes up to third quarter FY 2010/11 compared with the previous year same period in this section.

4.2 Disbursements and number of beneficiaries in all programmes including micro credit are given in Table 4.1. Overall transfers through protecting the poor and vulnerable programs registered a mix trend. The total amount disbursed through different programmes including Budgetary and Non-budgetary transfers was Rs. 25,470 m showing a slight increase of 1 percent in the disbursements as of quarter 3 of the FY 2010/11 against the same period last year. The total beneficiaries of all these programs were 3.05 m showing a high decrease of 39 percent under the comparison period. However, data on Zakat programs for the period up to third quarter was not received from the Zakat and Usher Ministry which has now been devolved to the provinces. A total of Rs. 17.57 billion was disbursed under the BISP cash grant program against Rs.17.97 billion explaining a slight decreasing trend of 2 percent under the comparison period. Under the PBM, the total disbursement increased from Rs. 1,652 m to Rs.1677.11 m showing a slight increase of 2 percent in disbursement under the comparison period. The table also reflects the Microcredit disbursement over the year up to third quarter FY 2010/11. The total amount disbursed under micro credit was Rs. 24,798 million showing an increase of 12 percent whereas the total loans were 1,291,080 declined to 3 percent under the comparison period.

<b>Table 4.1: Direct Transfers and Beneficiaries</b>			
Programme	Disbursement / Beneficiaries	Up to Q 3 FY 2009/10	Up to Q 3 FY 2010/11
<b>Budgetary Transfers</b>			
Pakistan Bait-ul-Mal (all Programmes)	Amount disbursed (Rs. millions)	1,652	1677.71
	Total beneficiaries	1,110,264	595,891
BISP	Amount disbursed (Rs. billion)	17.972	17.574
	Total beneficiaries (million)	2.2	1.8
<b>Non – Budgetary Transfers</b>			
Zakat	Amount disbursed (Rs. millions)	1,440	-
	Total beneficiaries	760,150	-
EOBI	Amount disbursed (Rs.	4,760	5,059.20

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	millions)		
	Total beneficiaries	893,980	646,821
Workers Welfare Fund (WWF)*	Amount disbursed (Rs. millions)	957	1,159
	Total beneficiaries	13,387	14,964
All Programmes	Amount disbursed (Rs. millions)	25,341	25,469.91
	Total beneficiaries	4,977,781	3,057,676
Micro Finance (micro credit only)	Amount disbursed (Rs. millions)	22,099	24,798
	Total Loans	1,335,427	1,291,080

Source: PBM, EOBI, Zakat, BISP, WWF, PMF.

#### 4.1 Zakat

4.3 Data on Zakat up to quarter 3 FY 2010/11 has not been received.

Table 4.2: Zakat Transfers and Beneficiaries				
	UP to Q 3 FY 2009/10		Up to Q FY 2010/11	
	Amount Utilised (Rs Million)	No. of Beneficiaries	Amount Utilised (Rs. Million)	No. of Beneficiaries
<b>Regular Zakat Programmes</b>				
Guzara Allowance	925.76	266,390	-	-
Education stipends	312.994	278,765	-	-
Stipends to students of Deeni Madrassahs	128.723	96,255	-	-
Health care	103.371	72,028	-	-
Social welfare / Rehabilitation	-	-	-	-
Marriage assistance to unmarried women	144.907	13,900	-	-
<b>Sub Total</b>	<b>1,616</b>	<b>727,338</b>	-	-
<b>Other Zakat Programmes</b>				
Eid Grants	78.93	157,883	-	-
Leprosy Patients	0.493	226	-	-
Permanent rehabilitation scheme of Zakat	-	-	-	-
Educational Stipend (tech)	586.1	101,898	-	-
<b>Sub Total</b>	<b>665.523</b>	<b>260,007</b>	-	-
<b>National level Schemes</b>				

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National level health institutions	577.85	299,051	-	-
Model Deeni Madrassahs	14.62	2654	-	-
<b>Subtotal</b>	<b>592.47</b>	<b>301,705</b>	-	-
<b>Grand Total</b>	<b>2,874</b>	<b>1,289,050</b>		

Source: Ministry of Religious Affairs, Zakat and Ushr

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

4.4 Employees Old Age Benefits Institution (EOBI) extends old age benefits to insured persons or survivals. It is entitled to avail benefits from different EOBI schemes like Old Age Pension (retirement), invalidity pension (in case of permanent disability), survivors pension (in case of an insured person expired) and Old-Age grants (an insured person attained superannuation age). Amount given under these schemes increased by 6 percent from Rs 4,759.86 million to Rs. 5,059.20 million during the comparison period. However beneficiaries against the disbursements trend have declined to 38 percent from 893,980 to 646,821 during the period up to Quarter 3 of FY 2010/11 compared to the same period last year (see table 4.3).

4.5 Table 4.3 reflects the four underlying sub programmes of EOBI for FY 2010/11 and FY 2009/10 up to third quarter. As clearly seen from the table, comparative ratio for the amount disbursed has increased in all these four programmes of EOBI but the number of beneficiaries against these amounts has declined except for the Old-Age grants scheme. The Amount disbursed for Old-Age Pension, Invalidity Pension and Survivors Pension showing an increase of 4, 11 and 9 percentage points respectively. The beneficiaries against these disbursements showed a declining trend of 28, 29 and 26 percent for Old Age Pensions, Invalidity Pension and Survivors Pension respectively. However, for Old-Age grants, the disbursement increased to 38 percent against an increased number of beneficiaries i.e. 24 percent during the comparison period.

Programmes	Up to Q 3 FY 2009/10		Up to Q 3 FY 2010/11	
	No. of Beneficiaries	Disbursement (Rs. Millions)	No. of Beneficiaries	Disbursement (Rs. Millions)
Old Age Pension	572,759	3,092.0	412,218	3,235.33
Invalidity Pension	14,400	71.59	10193	79.5
Survivors Pension	305,584	1,582.0	223,428	1724.54
Old-age Grants	1,237	14.27	1530	19.79
<b>Total</b>	<b>893,980</b>	<b>4,759.86</b>	<b>646,821</b>	<b>5,059.20</b>

Source: Employees' Old Age Benefits Institution

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### 4.3 Pakistan Bait-ul-Mal (PBM)

4.6 Pakistan Bait-ul-Mal (PBM), contributes significantly to poverty alleviation through its various poorest of the poor focused services providing assistance to orphanages, old age citizens and for other needy persons. The services for Pakistan Bait-ul-Mal (PBM) are given in the table 4.4 for FY 2010/11 compared to last FY 2009/10 up to third quarter. The total disbursements made under the Pakistan Bait-ul-Mal programs witnessed a positive trend, as Rs. 1,678 m compared to Rs. 1,652 m was disbursed during the comparison period showing a slight increase of 2 percentage points. However, beneficiaries under the comparison period have significantly decreased to 46 percent from 1.1 million to .595 million. The amount disbursed under the PBMs pro-poor schemes depicted a negative trend as compared to previous year under the NCRCL, Vocational/Dastakari Schools, and Langer Program. It witnessed a high decreasing trend under the comparison period such as 37, 38, and 12 percent respectively. On the other hand, beneficiaries set against these amounts disbursed observed a mixed trend over the year accounting to the Pakistan Bait-ul-Mal schemes. Pakistan sweet homes (orphanages) witnessed an increase in beneficiaries only under the comparison period.

4.7 Amount disbursed under the IFA was Rs. 1,268 million against the decreasing number of beneficiaries 26,576 under the comparison period. Under the Pakistan Sweet Homes (Orphanages), the total amount disbursed during the period was 76.55 million against 2,622 the increasing numbers of beneficiaries. However, data for Pakistan Sweet Homes (Senior Citizens) has not been received for the time period under discussion from Pakistan Bail-ul-Mal. The table given below explicitly reflects the services for Pakistan Bait-ul-Mal up to third quarter for FY 2010/11.

<b>Table 4.4: Programmes of Pakistan Bait-ul-Mal (PBM)</b>				
	Up to Q 3 FY 2009/10		Up to Q 3 FY 2010/11	
	No. of Beneficiaries	Disbursement (Rs. Millions)	No. of Beneficiaries	Disbursement (Rs. Millions)
Food Support Programme (FSP)				
Individual Financial Assistance (IFA)	39,457	1,160.312	26,576	1268.06
National Centre for Rehabilitation of Child Labor (NCRCL)	359,772	281.216	173,809	178.06
Vocational Training Centers (VTC)	180,823	106.47	106,196	65.67
Institutional Rehabilitation (Grant-In-Aid to NGOs)	13,820	37.259	11,258	21.45
Child Support Programme (CSP)	21,383	27.619	6,196	54.03
Pakistan Sweet Homes (Orphanages)	262	22.880	2,622	76.55

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Pakistan Sweet Home (Senior Citizen homes)	6	0.663	-	-
Langer Program	494,741	15.895	269,234	13.89
<b>Total Disbursement under all Programmes</b>	<b>1,110,264</b>	<b>1,652</b>	<b>595,891</b>	<b>1677.71</b>

Source: Pakistan Bait-ul-Mal.

#### 4.4 Benazir Income Support Program (BISP)

4.8 BISP, the flagship social safety net programme of GOP, accommodating the needs of poor not only in terms of cash assistance for subsistence but also facilitating them to graduate from the vicious circle of poverty. This programme serves as a platform to provide cash transfers to the vulnerable identified on the basis of poverty scorecard. The BISP aims at covering almost 15 percent of the entire population which constitutes 40 percent of the population living below the poverty line. A monthly payment of Rs. 1000 per family increases the income of a family earning Rs. 5000 by 20 percent. This programme is being implemented in all four provinces of Pakistan including FATA, AJK and ICT. The total disbursement made under the cash grant program of BISP up to third quarter was 17.574 billion against 1.8 million beneficiaries which is a decreasing figure as compared to previous year. The main reason of the decreasing trend in disbursements and beneficiaries was exclusion of the beneficiaries under the Poverty Score Card cut of points agreed over the time.

Table 4.5: Benazir Income Support Programme				
	Up to Quarter 3 FY 2009/10		Up to Quarter 3 FY 2010/11	
	Disbursement (Rs. In Billion)	Beneficiaries (Nos.)	Disbursement (Rs. In Billion)	Beneficiaries (Nos.)
Grand Total	17.972	2.2 m	17.574	1.8

#### 4.5 Workers Welfare Fund (WWF)

4.9 Workers Welfare Fund (WWF) was established in 1971 under an Ordinance with a capital of Rs.100 million provided by the Federal Government. The objectives of WWF are:

- Financing of housing projects for the workers

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- Financing of other welfare measures such as, education scholarship, marriage grants and death grants.

4.10 The table 4.5 shows the Workers Welfare Fund disbursements and beneficiaries up to Quarter 3 of FY 2010/11 compared to FY 2009/10 same period. The total disbursement under WWF different programmes were Rs. 1,159 million, 21 percent more than the last year same period. The beneficiaries of all WWF programmes increased to 14,964 showing an increase of 12 percent. In the comparison period, a total of Rs. 568 million was disbursed with an increase of 48 percent compared to previous FY 2009/10 against 8,230 beneficiaries under marriage grant schemes. Whereas, Rs. 185 million was disbursed under death grants with a negative trend of 7 percent against 599 beneficiaries while Rs. 406 millions were disbursed against 6,135 beneficiaries under the education schemes with an increase of 8 percent in disbursement under the comparison period.

<b>Table 4.6 Workers Welfare Fund</b>				
Programmes	Up to Q 3 FY 2009/10		Up to Q 3 FY 2010/11	
	No. of Beneficiaries	Disbursement (Rs. Millions)	No. of Beneficiaries	Disbursement (Rs. Millions)
1. Marriage Grant cases	6,961	383	8,230	568
2. Death grant Cases	669	201	599	185
3. Education Grant Cases	5,756	373	6,135	406
Total Disbursement under all Programmes	13,386	957	14,964	1,159

Source: Workers Welfare Fund (WWF).

### 4.6 Microfinance

4.11 Table 4.6 portrays the microfinance services provided to poor as micro credit, micro savings and micro insurance in terms of value and beneficiaries up to Quarter 3 of FY 2009/10 and FY 2010/11. The growth in microfinance services observed a substantial rise under the comparison period in micro credit and savings services. The number of active borrowers and active savers has risen from 1,909,100 to 2,101,699 with a change of 10 % in active borrowers whereas in active savers the figure rose up to 3,581,833 from 2,720,967 with an increase of 31 percent. The services of microfinance has received a high attention and explicated an upward share in micro credit and saving

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services. In terms of value (PKR million), the percentage has shown a positive change of 15 percent in active borrowers and 25 percent in active savers. However, the micro insurance has somehow witnessed a negative trend and has demonstrated lack of attention given by the clients to this section as the number in policy holders has dropped sharply from 3, 913, 516 to 3,106,313 under the comparison period. It showed a pessimistic impact in sum insured of micro insurance services as the sum insured has lowered to 30 percent under the comparison period.

Table 4.7: Microfinance Analysis						
Details	Microcredit		Micro-Savings		Micro-Insurance	
	Active Borrowers	Value (PKR Million)	Active Savers	Value (PKR Million)	Policy Holders	Sum insured (PKR Million)
FY 2010/11 (July 1- Mar 31, 2010)	2,101,699	26,949	3,581,833	10,458	3,016,313	38,172
FY 2009/10 (July 01- March 31, 2009)	1,909,100	23,354	2,720,967	8,346	3,913,516	54,823

Source: Pakistan Microfinance Network (PMN), Islamabad.

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

4.12 The percentage share of all top peer groups of microfinance services are manifested in table 4.7. In terms of peer groups, portion of active borrowers continued to rise for Micro Finance Institutions (MFIs) by 3 percent, Rural Support Programmes (RSPs) by 6 percent and others by 16 percent whereas for Micro Finance it depicted a negative trend with a decrease of 10 percent up to Q3 of FY 2010/11. At the same time, active savers too showed a positive trend during the year and for Micro Finance Banks (MFBs) the percentage has gone up to 24 percent with a change of 14 percent whereas for Micro Finance Institutions (MFIs) the situation has remained stagnant as no change was witnessed (from 1% to 1%) under the comparison period. However, share of Rural Support Programme (RSPs) has declined from 75 % to 72 % during the year noticing a change of 4 %. For others in active savers, the share continued to be same observing no change under the comparison period. Likewise, Active Policy holders maintained its continual rise for Micro Finance Banks (MFBs), Micro Finance Insurance (MFIs), and for others. It depicted an improvement by 17 % for MFBs, 27 % for MFIs and 66 % for others respectively. MFIs and for others, the shares for microfinance services have showed a staggering improvement under the comparison period whereas RSPs have weakened for active savers and for policy holders whereas MFBs have gone down for active borrowers only but in rest of others, it registered a positive change under the comparison period.

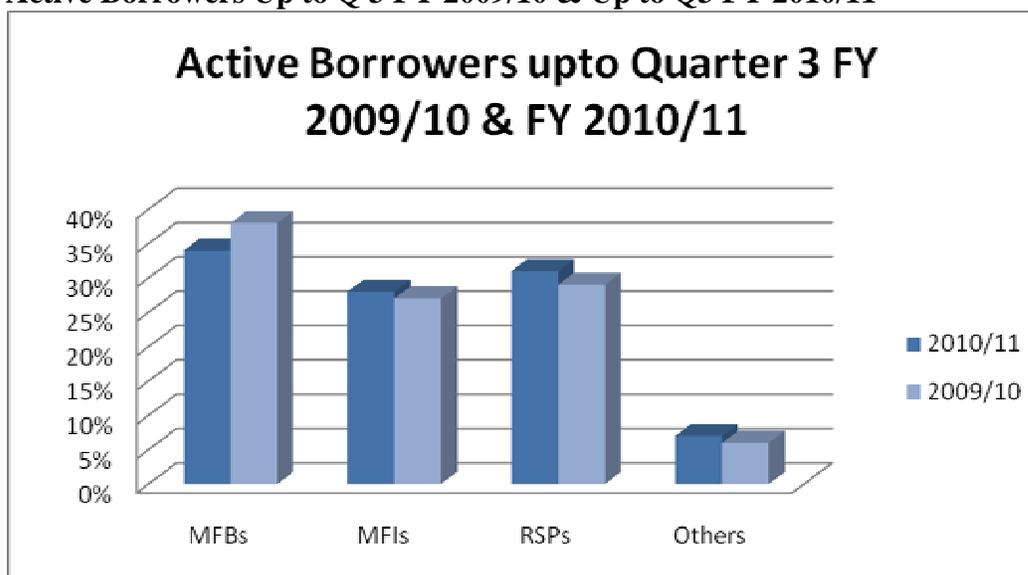
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Table 4.8: Active Borrowers, Active Savers and Active Policy holders by Peer Group Up to Q 3 FY 2009/10 and Up to Quarter 3 FY 2010/11				
Details	Peer Groups			
	MFBs	MFI	RSPs	Others
Active Borrowers FY 2010/11 (July 1-March 31)	34%	28%	31%	7%
Active Borrowers FY 2009/10 (July 1-March 31)	38%	27%	29%	6%
Active Savers FY 2010/11 (July 1-March 31)	24%	1%	72%	3%
Active Savers FY 2009/10 (January 1-March 31)	21%	1%	75%	3%
Active Policy holders FY 2010/11 (July 1-March 31)	20%	23%	52%	5%
Active Policy holders FY 2009/10 (July 1-March 31)	17%	18%	62%	3%

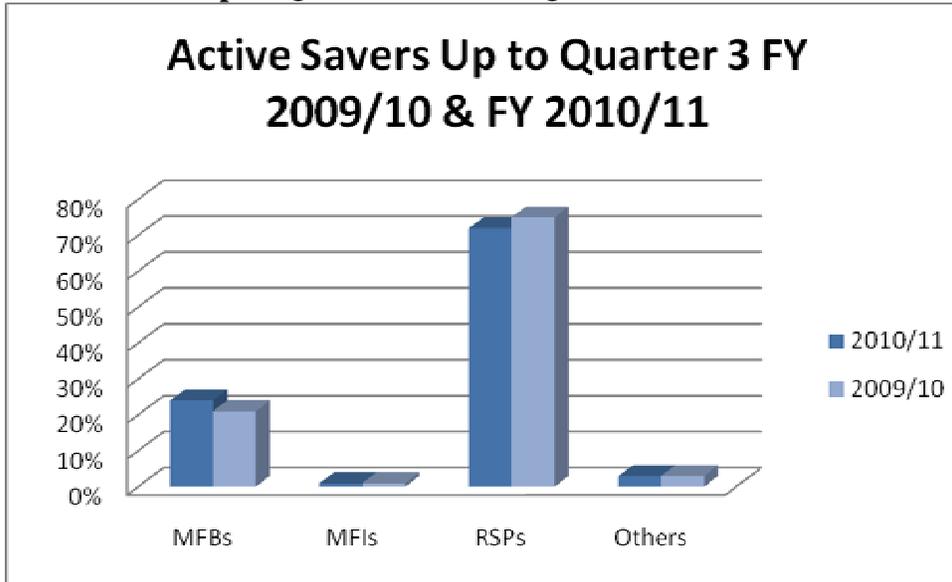
Source: Pakistan Microfinance Network (PMN), Islamabad.

**Figure 4.1**

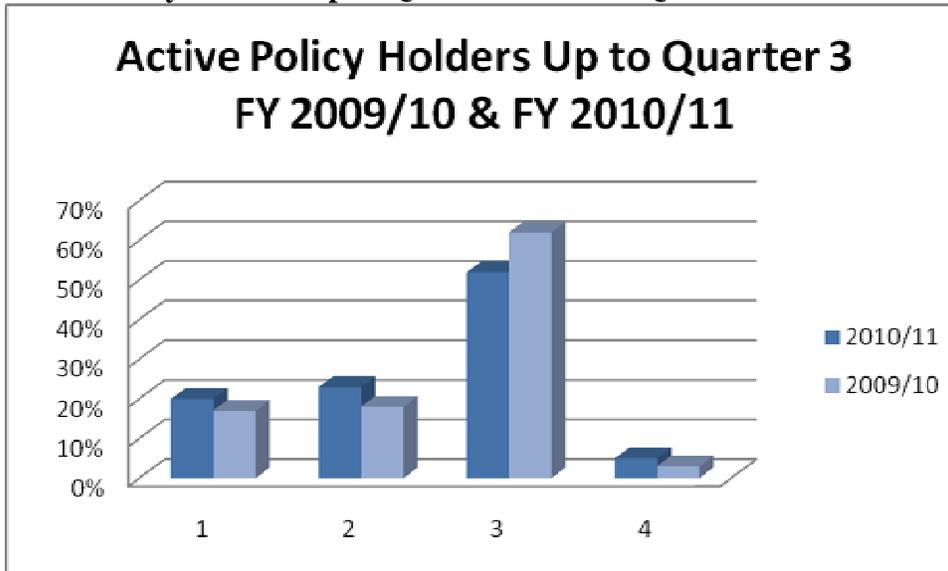
**Active Borrowers Up to Q 3 FY 2009/10 & Up to Q3 FY 2010/11**



**Figure 4.2**  
**Active Savers Up to Q 3 FY 2009/10 & Q 3 FY 2010/11**



**Figure 4.3**  
**Active Policy Holders Up to Q 3 FY 2009/10 & Q 3 FY 2010/11**



### 4.6.2 Summary of Microcredit Indicators

4.12 Summary of microcredit indicators given in Table 4.8 covers data up to Q 3 of FY 2009/10 and FY 2010/11. The micro finance services showed positive progress over the year as most of the micro finance indicators have shown a fair progress compared to the previous year. The industry matured its reach with higher gross loan portfolio, higher average loan balance, and average loan size. The number of branches has shown acceptable growth as it depicted a positive fraction for Micro Finance Institutions, Rural Support Programmes, and in total as well but its amount declined over the year in Micro Finance Banks and in other micro finance services as compared to the previous year. However, credit disbursement ratio dropped in Rural Support Programmes but remained on increasing scale for rest of other peer groups. At the same time, number of loan disbursed witnessed a negative growth in Rural Support Programmes, Micro Finance Banks and in total while average loan balance remained on a weaker lane for Rural Support Programmes only.

4.13 A total of 1,691 numbers of branches/units provided microcredit services to the poor up to Quarter 3 FY 2010/11 compared to 1, 599 in the same period of FY 2009/10 registering an increase of 5 percent. Out of these, 33 percent was provided by MFIs through 415 branches, which is the highest amongst all. MFBs and others depicted a negative growth in number of branches/units with a percentage change of 4 and 5 percent respectively compared to previous FY 2009/10. Currently, the number of loans disbursed to poor posted a weakening effect as the ratio declined from 1,335,427 to 1,291,080 with a percentage change of 3 %. Under the comparison period, average loan size for micro credit has registered a commendable improvement of 17 percent compared to the previous year.

4.14 As of Quarter 3 FY 2010/11, the overall credit disbursement has accounted an improvement of 12 percent compared to previous year, amounting Rs. 22,093 m to Rs. 24,798 m. Out of this Rs. 10,860 m was disbursed by Micro Finance Banks (MFBs) with an improvement of 11 percent, Rs. 5,028 m was disbursed by Micro Finance Institutions (MFIs) with an increase of 38 percent, and Rs. 1,841 m was disbursed by others with a change of 25 percent. However, RSPs held a negative trend for credit disbursement over the year. The average loan balance reflected a slight improvement under the comparison period recording a change of 1 percent. On the contrary, Gross loan portfolio continued to mark a positive change on all the microfinance services in FY 2010/11 as depicted in a table 4.8. It posted a highest increase in others microfinance services marking a change of 37 percent whereas in Micro Finance Banks the percentage witnessed 15 percent change followed by 11 percent, 12 percent for Micro Finance Institutions and Rural Support Programmes respectively. However, it marked a change of 15 percent in total during the FY 2010/11.

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<b>Table 4.9: Summary of Microcredit Provision</b>			
Peer Group		FY 2009/10 (July 01, 2009 – March 31, 2010)	FY 2010/11 July 01, 2010 – March 31, 2011)
MFBS	Number of branches/Units	411	392
	Gross Loan Portfolio (Rs. millions)	9,802	11,298
	Average Loan Balance (Rs.)	13,030	15,732
	Number of Loans disbursed	554,448	490,559
	Credit Disbursements (Rs. millions)	9,759	10,860
	Average Loan Size (Rs.)	17,546	22,138
MFIs	Number of branches/Units	310	415
	Gross Loan Portfolio (Rs. millions)	5,293	5,877
	Average Loan Balance (Rs.)	9,951	10,021
	Number of Loans disbursed	224,881	272,775
	Credit Disbursements (Rs. millions)	3,640	5,028
	Average Loan Size (Rs.)	16,059	18,432
RSPs	Number of branches/Units	723	737
	Gross Loan Portfolio (Rs. millions)	6,398	7,219
	Average Loan Balance (Rs.)	11,463	11,110
	Number of Loans disbursed	468,163	420,779
	Credit Disbursements (Rs. millions)	7,229.3	7,067
	Average Loan Size (Rs.)	15,063	16,795
Others	Number of branches/Units	155	147
	Gross Loan Portfolio (Rs. millions)	1,862	2,554
	Average Loan Balance (Rs.)	15,882	17,346
	Number of Loans disbursed	87,930	106,967
	Credit Disbursements (Rs. millions)	1,471	1,841
	Average Loan Size (Rs.)	16,674	17,210
Total	Number of branches/Units	1,599	1,691
	Gross Loan Portfolio (Rs. millions)	23,354	26,949
	Average Loan Balance (Rs.)	12,581	12,822
	Number of Loans disbursed	1,335,427	1,291,080
	Credit Disbursements (Rs. millions)	22,099.3	24,798
	Average Loan Size (Rs.)	16,336	19,207

Source: Pakistan Microfinance Network (PMN), Islamabad.

## 5. Monitoring of Output (Intermediate) Indicators

This section of the report scrutinizes the performance of PRSP intermediate indicators up to Quarter 3 FY 2010/11 with the corresponding period last FY 2009/10. Performance of Health sector comprises of immunization, number and coverage of lady health workers (LHW). Evolvement in employment trend, small infrastructure and other schemes approved under People Works Programme-I are part of this section

### 5.1 Immunization

5.2 Below table 5.1 reflects the TT-Immunization Coverage for Pregnant Women covering period as of Q 3 of FY 2010/2011 and FY 2009/10. The table clearly replicates that the targeted population for the immunization coverage of pregnant women dropped by 21 percent from 1,942 million to 1,515 million under the comparison period. TT 1 and TT2 immunization coverage held almost similar fraction for the FY 2010/11 as TT 1 managed to grasp 70 percent and TT 2 took 69 percent. Both the TT immunization coverage has shown improvement over the period as the percentage change has depicted an increase of 18 percent and 16 percent respectively for both TT 1 and TT 2 immunization coverage for pregnant women.

5.3 Largest TT immunization coverage was witnessed in AJK as TT 1 immunization coverage ratio increased by 49 percentage points while TT 2 immunization coverage increased by 42 percent. Punjab demonstrated a commendable TT immunization coverage for pregnant women during the year as it grasped 78 percent and 79 percent for TT 1 and TT2 with an increase of 36 percent and 27 percent respectively. However, CDA and ICT have shown a significant improvement for TT immunization as CDA witnessed an increase of 87 percent for TT1 coverage and ICT observed an increase of 63 percent for TT1 coverage whereas for TT 2 both managed to improve its coverage with an increase of 58 percent (ICT) and 50 percent (CDA) under the comparison period. Fata and Baluchistan have demonstrated its commitment for TT immunization coverage programme as the figure for both TT 1 and TT2 has gone up under the comparison period with an increase of 53 and 61 percent respectively for Fata whereas 36 and 37 percent respectively for Baluchistan.

Table 5.1: TT- Immunization Coverage for Pregnant Women						
Province/Region	Q 3 FY 2009/10			Q 3 FY 2010/11		
	TT-Immunization			TT-Immunization		
	Target Population	TT-1	TT2+	Target Population	TT-1	TT2+
	(+4.1% Pop)	Cov %	Cov %	(+4.1% Pop)	Cov %	Cov %
Punjab	1,034,634	57	62	806,242	78	79
Sindh	440,898	37	39	344,017	56	56
Khyber Pakhtoon Khawa	256,968	52	46	201,561	67	59

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FATA <sup>1</sup>	48,174	43	47	33,341	66	76
Balochistan	92,628	33	35	72,744	45	48
AJK <sup>2</sup>	40,947	65	63	31,825	97	90
Gilgit Baltistan				13,640	35	47
FANA <sup>3</sup>	12,774	33	46		-	-
ICT <sup>4</sup>	5,169	30	24	4,157	49	38
CDA <sup>5</sup>	9,909	33	12	7,968	62	18
Others	-	-	-	-	-	-
Pakistan	1,942,101	59	59		70	69

Source: Federal EPI Cell, National Institute of Health

## 5.2 Lady Health Workers (LHWs)

5.4 Lady Health Workers (LHWs) at national level covered 51 percent of the total population and 66 percent of the target population up to Quarter 3 FY 2010/11 as depicted in table 5.2. In urban areas, the population was covered by LHWs was 27 percent whereas in rural areas, population covered by LHWs was 62 percent.

	Projection up to Q 3 FY 2010/11	Population Covered by LHWs up to Q 3 FY 2010/11 (%)
Total Population	173,500,000	50.88%
Urban Population	57,255,000	27.29%
Rural Population	116,245,000	62.50%
Target Population	133,421,500	66.16%

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

5.5 Table 5.3 explains strength of LHWs based on provinces and regions as of Quarter 3 of FY 2010/11. Out of total 98,849 LHWs, 82 percent was placed in rural areas during the year with a negative figure as compared to previous year whereas 16 percent was deployed in urban areas. Largest proportion was seen in Punjab of 49 percent followed by Sindh, and KPK with 22 percent and 13 percent respectively.

<sup>1</sup> Federal Administrated Tribal Areas

<sup>2</sup> Azad Jammu Kashmir

<sup>3</sup> Federal Administrated Northern Areas

<sup>4</sup> Islamabad Capital Territory (ICT) includes the surrounding areas of Islamabad.

<sup>5</sup> Capital Development Authority (CDA) only covers the geographical area of Islamabad city.

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<b>Table 5.3: Number of Lady Health Workers*</b>			
Province / Region	Up to Q 3 FY 2010/11		
	Urban	Rural	Total
Punjab	7,195	42,379	49,452
Sindh	4,554	18,308	22,862
Khyber Pakhtoon Khawa	1,824	11,769	13,593
Balochistan	2,028	4,574	6,602
AJK	178	2,928	3,106
FANA (Gilgit, Baltistan)	175	1,149	1,324
FATA	0	1,453	1,453
ICT	38	297	335
<b>Total</b>	<b>15,992</b>	<b>82,857</b>	<b>98,849</b>

\* Includes under training LHWs

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

### 5.3 Employment

5.6 Table 5.4 illustrates the percentage of Labor force and employed labor force comprising of male and female labor statistics. As the table depicts, total labor force during the year was 54 percent, out of which 42 percent comprised of male population and 11 percent for female. About 95 percent of the total labor force was employed up to third quarter FY 2010/11 counting 75 percent of the males and 19 percent were female. Unpaid family workers were around 28 percent at Q 3 FY 2010/11.

<b>Table 5.4: Labour Force and Employed Labour Force</b>			
	Up to Q 3 FY 2010/11*		
	Total	Male	Female
1. Labour Force (million)	53.89	42.44	11.44
2. Employed Labour Force (%)	94.58	75.27	19.31
3. Percentage of unpaid family workers	27.96	-	-

Note: Estimated labour force for the FY 2010/11 is based on the Labor Force Survey 2009/10.

\*The number includes figures of the 1st and 2nd quarters as well.

Source: Ministry of Labor and Manpower

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#### 5.4 People Works Programme-I (PWP-I)

5.7 Table 5.5 reports the number of schemes approved under People Works Programme (PWP-I) up to Q 3 of FY 2010/11 and FY 2009/10. As evident from the table, the total number of schemes under PWP-I has decreased from 1,514 schemes to 1137 schemes during the FY 2010/11 reflecting a decrease of 25 percent. The development schemes focus on roads, electrification, gas, telephone, education, health, water supply, sanitation, and bulldozers. As of Quarter 3 FY 2010/11, 633 schemes were approved for roads with an increase of 9 percent, 183 was for electrification reflecting a sharp decline as compared to previous FY 2009/10 of 67 percent, 179 for water supply declining with 10 percent and 104 for sanitation during the FY 2010/11.

5.8 Under the comparison period, the performance of development schemes has deteriorated as no province/region has shown improvement/progress. The total number of schemes for provinces has lowered remarkably such as Baluchistan only 48 schemes were approved in Baluchistan as compared to previous year i.e. 201 with a decrease of 76 percent. Whereas for rest of other provinces the percentage of schemes approved has gone down. Only Punjab managed to approve the largest number of schemes for FY 2010/11 i.e. 545 including 310 for roads, 90 for electrification, 92 for sanitation that are declining figures in contrast to previous FY 2009/10. In subsequent to this, KPK managed to undertake 290 schemes for FY 2010/11 that dropped from 407 with a decrease of 29 percent. However, Sindh, FATA and ICT managed to grasp 154, 89 and 11 schemes under the comparison period with a decrease of 37, 7, and 56 percent.

Table 5.5: Number of Schemes approved under each category										
Q 3 FY 2010/11										
Province	Road	Electrification	Gas	Telephone	Education	Health	Water Supply	Sanitation	Bulldozers hours	Total Schemes
Punjab	310	90	9	-	11	-	33	92	-	545
Sindh	82	40	-	-	7	1	17	7	-	154
Khyber Pakhtoon Khawa	165	28	5	-	2	1	84	4	1	290
Balochistan	15	15	-	-	-	-	21	1	-	48
FATA	65	-	-	-	-	-	24	-	-	89
ICT		10	1		-	-	-	-	-	11
Total	633	183	15	-	20	2	179	104	1	1137
Q 3 FY 2009/10										
Province	Road	Electrification	Gas	Telephone	Education	Health	Water Supply	Sanitation	Bulldozers hours	Total Schemes
Punjab	304	184	6	-	9	2	12	26	-	543

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Sindh	80	86	1	-	70	6	12	-	-	255
Khyber Pakhtun Khwa	146	185	-	-	1	3	68	4	-	407
Balochistan	39	85	-	-	18	12	39	4	4	201
FATA	4	4	-	-	3	5	67	-	-	83
ICT	4	11	2	-	3	3	2	-	-	25
<b>Total</b>	<b>577</b>	<b>555</b>	<b>9</b>	<b>-</b>	<b>104</b>	<b>31</b>	<b>200</b>	<b>34</b>	<b>4</b>	<b>1,514</b>

Source: Ministry of Local Government and Rural Development

#### 5.5 Capital and Finance for Development

Data on capital finance for development has not been received from the State Bank of Pakistan (SBP) hence, analysis has not been made here for the key PRSP output indicators in this regard.



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*Annex 1: Summary of PRSP Expenditures up to Quarter 3, FY 2010/11*

Annex 1: PRSP Budgetary Expenditures up to Q-3 (July to March) of FY 2010-11 and FY 2009-10 (Provisional)												
(Rs. Millions)												
	Q-3 FY 2010-11						Q-3 FY 2009-10					
	Federal	Punjab	Sindh	KPK	Balochistan	Total	Federal	Punjab	Sindh	KPK	Balochistan	TOTAL
<b>Roads, Highways, &amp; Bridges</b>	3,088	25,581	7,858	4,975	5,385	46,887	3,056	20,730	7,281	4,811	2,919	38,797
Current	3,055	3,491	1,017	557	109	8,229	3,041	2,642	549	364	263	6,859
Development	33	22,090	6,841	4,418	5,276	38,658	15	18,088	6,732	4,447	2,656	31,938
<b>Environment/Water Supply &amp; Sanitation</b>	302	7,538	1,920	1,058	1,976	12,794	155	7,616	2,015	1,747	1,428	12,961
Current	280	3,659	681	569	713	5,902	137	2,880	351	721	822	4,911
Development	22	3,879	1,239	489	1,263	6,892	18	4,736	1,664	1,026	606	8,050
<b>Education</b>	40,128	99,336	51,196	17,091	12,003	219,754	32,636	78,987	34,707	22,269	6,692	175,291
Current	28,649	95,708	47,835	13,191	11,629	197,012	20,961	71,486	32,139	17,994	6,521	149,101
Development	11,479	3,628	3,361	3,900	374	22,742	11,675	7,501	2,568	4,275	171	26,190
<b>Primary Education</b>	3,078	43,613	21,219	4,983	3,929	76,822	2,397	33,179	15,341	8,538	2,237	61,692
Current	3,076	43,289	21,069	4,461	3,929	75,824	2,385	32,029	15,180	7,642	2,237	59,473
Development	2	324	150	522	0	998	12	1,150	161	896	0	2,219
<b>Secondary Education</b>	4,058	25,688	12,537	5,535	4,099	51,917	2,995	21,994	8,894	8,529	1,897	44,309
Current	4,055	24,553	12,380	4,439	4,099	49,526	2,977	17,721	8,772	6,931	1,897	38,298
Development	3	1,135	157	1,096	0	2,391	18	4,273	122	1,598	0	6,011
<b>General Universities, Colleges, &amp; Institutes</b>	23,256	8,660	4,651	3,562	1,114	41,243	19,403	6,247	3,454	1,750	662	31,516
Current	12,379	7,763	3,515	1,833	1,114	26,604	8,838	5,939	2,423	1,275	662	19,137
Development	10,877	897	1,136	1,729	0	14,639	10,565	308	1,031	475	0	12,379

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<i>Professional &amp; Technical Universities, Colleges &amp; Institutes</i>	5,794	897	2,077	2,338	209	11,315	3,924	1,161	1,483	1,835	380	8,783
Current	5,792	878	2,077	1,845	209	10,801	3,916	1,153	1,466	1,415	380	8,330
Development	2	19	0	493	0	514	8	8	17	420	0	453
<i>Teacher &amp; Vocational Training</i>	42	4,504	284	0	206	5,036	41	4,161	181	0	149	4,532
Current	40	3,504	276	0	206	4,026	34	2,832	160	0	149	3,175
Development	2	1,000	8	0	0	1,010	7	1,329	21	0	0	1,357
<i>Others</i>	3,900	15,974	10,428	673	2,446	33,421	3,876	12,245	5,354	1,617	1,367	24,459
Current	3,307	15,721	8,518	613	2,072	30,231	2,811	11,812	4,138	731	1,196	20,688
Development	593	253	1,910	60	374	3,190	1,065	433	1,216	886	171	3,771
<b>Health</b>	<b>11,892</b>	<b>27,639</b>	<b>14,014</b>	<b>6,057</b>	<b>4,072</b>	<b>63,674</b>	<b>10,855</b>	<b>24,911</b>	<b>11,198</b>	<b>5,916</b>	<b>2,157</b>	<b>55,037</b>
Current	5,523	26,051	12,502	4,556	3,809	52,441	4,661	22,770	9,460	4,397	1,948	43,236
Development	6,369	1,588	1,512	1,501	263	11,233	6,194	2,141	1,738	1,519	209	11,801
<i>General Hospitals &amp; Clinics</i>	5,236	23,517	10,625	5,142	2,712	47,232	4,690	20,689	8,631	5,164	1,015	40,189
Current	4,935	22,376	9,114	3,786	2,712	42,923	4,081	19,448	6,967	3,921	1,015	35,432
Development	301	1,141	1,511	1,356	0	4,309	609	1,241	1,664	1,243	0	4,757
<i>Mother &amp; Child Health</i>	4	141	0	9	3	157	3	166	0	13	8	190
Current	2	83	0	9	3	97	2	70	0	13	8	93
Development	2	58	0	0	0	60	1	96	0	0	0	97
<i>Health Facilities &amp; Preventive Measures</i>	6,323	312	1,509	216	520	8,880	5,824	288	1,211	386	336	8,045
Current	338	172	1,509	72	257	2,348	320	148	1,164	118	130	1,880
Development	5,985	140	0	144	263	6,532	5,504	140	47	268	206	6,165
<i>Others</i>	329	3,669	1,880	690	837	7,405	338	3,768	1,356	353	798	6,613
Current	248	3,420	1,879	689	837	7,073	258	3,104	1,329	345	795	5,831
Development	81	249	1	1	0	332	80	664	27	8	3	782

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<b>Population Planning</b>	782	1,177	676	406	276	3,317	2,210	1,011	532	337	193	4,283
Current	148	20	15	8	0	191	151	18	6	7	1	183
Development	634	1,157	661	398	276	3,126	2,059	993	526	330	192	4,100
<b>Social Security &amp; Welfare</b>	893	727	4,976	451	381	7,428	684	700	6,045	187	156	7,772
Current	796	686	148	416	269	2,315	538	586	152	123	150	1,549
Development	97	41	4,828	35	112	5,113	146	114	5,893	64	6	6,223
<b>Natural Calamities &amp; Other Disasters</b>	18,164	8,498	9,063	5,287	1,057	42,069	3,495	1,078	490	2,463	33	7,559
Current	18,125	8,173	8,997	5,091	1,057	41,443	3,339	434	293	2,452	33	6,551
Development	39	325	66	196	0	626	156	644	197	11	0	1,008
<b>Agriculture</b>	20,669	19,825	13,801	6,292	8,049	68,636	17,953	16,542	8,656	4,371	5,740	53,262
Current	6,237	16,785	10,821	3,153	6,211	43,207	1,758	12,153	5,486	2,716	4,378	26,491
Development	14,432	3,040	2,980	3,139	1,838	25,429	16,195	4,389	3,170	1,655	1,362	26,771
<b>Land Reclamation</b>	0	182	2,106	0	0	2,288	0	169	1,134	0	0	1,303
Current	0	182	2,106	0	0	2,288	0	169	1,134	0	0	1,303
Development	0	0	0	0	0	0	0	0	0	0	0	0
<b>Rural Development</b>	395	1,070	176	5,094	1,704	8,439	455	3,447	152	6,024	612	10,690
Current	28	231	176	72	212	719	24	188	129	122	115	578
Development	367	839	0	5,022	1,492	7,720	431	3,259	23	5,902	497	10,112
<b>Law and Order</b>	40,527	36,545	21,052	11,552	6,679	116,355	29,828	34,168	16,179	12,065	5,322	97,562
Current	40,297	36,545	21,052	11,535	6,679	116,108	29,791	34,168	16,179	11,393	4,786	96,317
Development	230	0	0	17	0	247	37	0	0	672	536	1,245
<b>Low Cost Housing</b>	0	100	11	0	0	111	0	714	58	0	0	772
Current	0	90	11	0	0	101	0	68	58	0	0	126
Development	0	10	0	0	0	10	0	646	0	0	0	646
<b>Justice Admn</b>	1,354	4,568	1,983	1,375	633	9,913	1,344	3,040	1,378	860	504	7,126
Current	1,315	4,568	1,192	1,080	585	8,740	985	3,040	1,337	860	488	6,710

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<b>Development</b>	<b>39</b>	<b>0</b>	<b>791</b>	<b>295</b>	<b>48</b>	<b>1,173</b>	<b>359</b>	<b>0</b>	<b>41</b>	<b>0</b>	<b>16</b>	<b>416</b>
<b>Subsidies</b>	<b>107,608</b>	<b>6,314</b>	<b>1,002</b>	<b>4,500</b>	<b>0</b>	<b>119,424</b>	<b>122,240</b>	<b>479</b>	<b>1,501</b>	<b>4,219</b>	<b>0</b>	<b>128,439</b>
<b>Current</b>	<b>107,608</b>	<b>6,303</b>	<b>1,002</b>	<b>4,500</b>	<b>0</b>	<b>119,413</b>	<b>116,465</b>	<b>479</b>	<b>1,501</b>	<b>4,219</b>	<b>0</b>	<b>122,664</b>
<b>Development</b>	<b>0</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>5,775</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,775</b>
<b>People's Works Programme-I</b>	<b>2,030</b>					<b>2,030</b>	<b>2,522</b>					<b>2,522</b>
<b>People's Works Programme-II</b>	<b>17,509</b>					<b>17,509</b>	<b>28,507</b>					<b>28,507</b>
<b>Benazir Income Support Programme</b>	<b>26,246</b>					<b>26,246</b>	<b>17,696</b>					<b>17,696</b>
<b>Pakistan Bait-ul-Maal</b>	<b>2,409</b>					<b>2,409</b>	<b>1,652</b>					<b>1,652</b>
<b>GRAND TOTAL</b>	<b>293,996</b>	<b>239,100</b>	<b>129,834</b>	<b>64,138</b>	<b>42,215</b>	<b>769,283</b>	<b>275,288</b>	<b>193,592</b>	<b>91,326</b>	<b>65,269</b>	<b>25,756</b>	<b>651,231</b>

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