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GOVERNMENT OF PAKISTAN  
PLANNING COMMISSION

# ANNUAL PLAN 1999-2000

ECONOMIC FRAMEWORK  
AND  
PUBLIC SECTOR DEVELOPMENT PROGRAMME

Islamabad  
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## **FOREWORD**

*In accordance with the mandate given by the National Economic Council, the Planning Commission releases with the budget an Annual Plan containing a brief review of economic framework and main features of Public Sector Development Programme. It also highlights sectoral priorities and programmes during the current year and projections for the next year. A Detailed Annual Plan is released later.*

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*Planning Commission  
Islamabad June, 1999*

## CHAPTER 1

### ECONOMIC PERFORMANCE AND PROSPECTS

#### I. REVIEW OF ANNUAL PLAN 1998-99

The fiscal year 1998-99 has been rather difficult for Pakistan's economy. Capital inflow virtually stopped following the economic sanctions and suspension of foreign currency accounts and with a view to combating the situation through conserving foreign exchange, government introduced dual exchange rate system and imposed margin requirements on imports. While these measures did lead to a reduction in imports and balance of payments despite a reduction in exports it also raised the cost of production of the manufactured goods and influenced badly the investments. Nevertheless, the economy under these adverse circumstances fared rather well though weaknesses especially in the exports and revenue are quite visible.

#### GDP and Sectoral Growth Rates

1.2 The GDP growth target for 1998-99 was placed at 6.0 percent comprising growth rates of 5.4 percent in agriculture, 7.2 percent in industry (with 6.5 % in large scale manufacturing) and 5.7 percent in services sectors. Provisional estimates suggest GDP growth of 3.1 percent. The growth rate of agriculture, manufacturing and service sectors estimated provisionally are 0.4, 4.7 and 4.1 percent respectively.

1.3 Agricultural output was expected to grow by 5.4 percent during 1998-99 and the major and minor crops at the rates of 5.5 and 5.0 percent respectively. The growth in major crops was premised on cotton output of 10.5 million bales, production of wheat at 19.5 million tonnes, rice at 4.4 million tonnes and sugar cane at 51.2 million tonnes. According to provisional estimates rice production of 4,674 thousand tonnes have exceeded the target by 6.4 percent and production of sugarcane at 55.2 percent exceeds the target by 7.8 percent. The long spell of drought and untimely rains as well as virus attack on cotton suggest short fall in the production of cotton, wheat, gram etc. Cotton output at 8.8 million bales is less than the target by 16.3 percent due to three main factors; first, fall in the area under cotton crop by 4.6 percent in Punjab, second, heavy fog and abnormal temperatures during the maturing and harvesting period and third heavy rains and virus attack in Sindh. Long dry spell during the sowing season had an adverse impact on the output of wheat and other rabi crops. The area under wheat went down by 0.3 percent and the output is assessed at 18 million tonnes. The gram output is estimated at 700 thousand tonnes. On the whole major crops registered a decline of 0.6 percent over the last year. The minor crops, however, grew though marginally by 0.4 percent. Based on the higher procurements in the current year compared to last year, there are indications that wheat output for 1998-99 may be around 19.0 million tonnes as against 18.05 million tonnes used in the National Accounts. If the figure of 19.0 million is used then the agricultural growth rises to 1.1 percent and GDP to 3.3 percent.

1.4 Livestock sub-sector projected to grow by 5.4 percent is provisionally estimated to have grown at a rate of just 1.5 percent. The output of milk increased by 2.7 percent, meat 2.8 percent, eggs 3.5 percent, hides 2.3 percent and skins 2.6 percent. The fishing sub-sector

has been estimated to grow by 3.7 percent. This includes an increase in the gross value addition by 2.2 percent in marine fishing and 5.6 percent in inland fishing. The value added of forestry declined by 24.4 percent against the target growth rate of 4.9 percent mainly because of ban on wood harvesting in NWFP.

1.5 The declining levels of cotton and wheat and the forest sectors have been the main factors in constraining the growth of agriculture sector to just 0.4 percent. Production of selected major crops are at Annexure-1.1

1.6 The Mining and Quarrying sector was forecast to grow by 5.6 percent mainly premised on 23.7 percent, 5.7 percent and 5.0 percent increase in the extraction of natural gas, crude oil and coal respectively. However, the first six months data show a growth rate of 4.5 percent. While the extraction of coal and gas increased by 15.4 and 1.6 percent respectively, output of crude oil declined by 1.4 percent.

1.7 The manufacturing sector has shown a growth rate of 4.7 percent against the target of 7.2 percent. The large scale-manufacturing sector targeted to grow by 6.5 percent has actually shown a growth rate of 2.7 percent in the first nine months of the fiscal year over the corresponding period of the last year. The growth has been mainly contributed by vegetable ghee (12.7%), beverages (28.7%), cigarettes (6.9%), cotton cloth (10.2%), nitrogenous fertiliser (4.8%) and petroleum products (3.8%). Main industries showing negative growth rates include sugar (-0.9%), cotton ginning (-4.2%), cement (-1.9%), diesel engines (-13.2 %), air conditioners (-42.9%), billets (-23.9%) and sewing machines (-17.2%). The growth performance of different industries during July-March, 1998-99 is given at Annexure-1.2.

1.8 Value added in the construction sector grew at a rate of just 0.8 percent compared to a target of 5.5 percent. This is essentially because of a very slow growth rate in the investments.

1.9 The Electricity and Gas sector is estimated to grow by 2.7 percent against the target of 9.0 percent. The installed capacity of power sector is expected to increase by 1797 MW, 33 MW in the public sector and 1764 MW in the private sector. However, due to retirement of 157 MW in the public sector, the net addition in the installed capacity of power sector may be 1640 MW and as a result installed capacity would rise from 15,968 MW to 17,608 MW. Because of slackness in demand entailing slow down in economic activity, growth of total energy generation during 1998-99 would be constrained to 65099 GWh compared to 63024 in 1997-98. The generation will be shared to the extent of 35894 GWh by WAPDA, 10692 GWh by KESC, 588 GWh by PASMIC / KANNUP and 18513 GWh by private sector.

1.10 Among the services sectors, the transport and communications sector is expected to grow by 5.3 percent. Growth in the trade sector is expected to be 1.3 percent against the target of 6.2 percent. The main factors causing deceleration in growth of trade sector include decline in imports as well as lower than expected growth in agriculture and manufacturing sectors. The finance and insurance is the only sector, which is surpassing its growth target. This sector is likely to grow by 9.4 percent, mainly due to about 58 percent increase in the operating surplus of scheduled banks which accounts for around 50 percent of

the financial sector. The services sectors in all are assessed to register 4.1 percent growth against the target of 5.7 percent. The sectoral composition of growth is given at Annexure-1.3.

1.11 **Investment:** The Annual Plan 1998-99 envisaged a nominal growth of 33.0 percent in fixed investment. Imposition of sanctions and the rising cost of imported investment goods resulting from dual exchange rate policy, and 30 percent margin requirements has adversely affected the investment levels. Preliminary estimates suggest 1.0 percent growth of investment at the nominal market prices. The nominal fixed investment thus would marginally rise to Rs.400.5 billion compared to last year's fixed investment of Rs. 396.6 billion. At constant prices, investment actually fell by 2.3 percent.

1.12 The private sector investment declined by 5.0 percent though there was an increase of 25.9 percent in agriculture sector, 25.5 percent in transport and communication sector and 8.2 percent in ownership of dwellings. The investments in manufacturing, mining and construction declined by 2.9 percent, 31.5 percent and 23.0 percent respectively.

1.13 The public sector investment increased by 12.6 percent. However, the increase is almost due to one major project of PARCO amounting to Rs 14.9 billion which led to a 233 percent increase in the rate of investment in the manufacturing sector. The public sector investment, however, shows a decline in mining, construction, transport and communications and services sectors by 17.9 percent, 1.3 percent, 13.9 percent and 7.3 percent respectively.

1.14 Total investment as a proportion of GDP declined from 17.1 to 14.8 percent. The proportion of fixed investment to GDP also declined though less sharply from 14.5 percent in 1997-98 to 13.2 percent in 1998-99. The decline is mainly a result of declining private investment levels from 9.6 percent to 8.2 percent of GDP. The proportion of public investment, however, has increased marginally from 4.9 percent to 5.0 percent of GDP.

1.15 National Savings as percentage of GDP has declined to 11.0 percent in 1998-99 against the target of 15.8 percent and last year's achievement of 14.1 percent. Consequently, national savings financed 74.8 percent of total investment while the remaining 25.2 percent is expected to be financed from foreign savings. As such, dependence on external resources increased from 3.0 percent of GDP in 1997-98 to 3.7 percent in 1998-99.

1.16 **Foreign Investment:** During July-April 1998-99, total foreign private investment amounted to \$ 334 million (including \$ 7.4 million portfolio investment) as against \$ 760 million in the corresponding period of 1997-98 (including \$ 213 million portfolio investment). As such, the direct foreign investment declined by 40 percent, whereas portfolio investment declined by 97 percent. Investment in the power sector, the main contributor in the overall foreign investment, amounted to \$ 115.8 million against \$ 148.6 million during the same period last year, showing a decrease of 22 percent.

1.17 Price situation has remained under control during the nine months of the year. The rate of inflation of CPI measured by the nine months average over average works out to be 6.5 percent as against the target of 8.0 percent.

## Fiscal Developments:

1.18 With a view to laying solid base for sustainable economic growth, higher investment and improved levels of productivity wide-ranging structural reforms and stabilization measures have been introduced. On the revenue side, comprehensive tax and tariff reforms have been introduced and tax administration has been improved. The driving philosophy behind the reforms has been reducing the tax rates and broadening the tax base to hitherto untaxed or under taxed sectors as well as to shift the incidence from imports and investment to consumption and income. The reduction in tax rates was intended to stimulate production and investment on the one hand, and promote voluntary tax compliance on the other. On the expenditure side, tight expenditure policies were pursued.

1.19 The government in the past few years has attained impressive achievement in containing the growth of wasteful expenditure. Various economy measures were introduced and strict discipline and control was enforced on non-development expenditure. Both the revenue as well as expenditure measures have led to lower fiscal deficit and thus lending stability to the economy. The above measures resulted in lowering the overall fiscal deficit from 8.0 per cent of GDP in 1992-93 to 5.3 per cent in 1997-98. The non-interest fiscal (primary) balance has been reversed from a deficit of 2.1 per cent of GDP in 1992-93 to a surplus of 1.6 per cent in 1997-98.

1.20 The consolidated budget for 1998-99 aimed at further reducing the fiscal deficit to Rs. 143.2 billion (4.6 per cent of the GDP) from Rs. 147.4 billion (5.3 per cent of the GDP) in 1997-98. The government revenues have been estimated to rise by 15.6 per cent from Rs. 452.1 billion in 1997-98 (16.3 per cent of the GDP) to Rs. 522.9 billion (16.8 per cent of the GDP). The share of direct taxes has been estimated to rise from 18.0 per cent of total taxes in 1991-92 to 30.0 per cent in 1998-99. Within indirect taxes, share of import duties at Rs. 90.5 billion has been estimated to reduce from 46.0 per cent in 1991-92 to 30.8 per cent in 1998-99, while the share of sales tax at Rs. 71.5 billion has been projected to increase from 15.5 per cent in 1991-92 to 24.0 per cent in 1998-99. The non-tax receipts have been estimated to increase by 16.7 per cent from Rs. 89.2 billion in 1997-98 to Rs. 104.1 billion in 1998-99.

1.21 The government expenditure in the 1998-99 budget has been estimated to increase by 11.1 per cent over the 1997-98 from Rs. 599.6 billion in 1997-98 to Rs. 666.1 billion. A major portion of current expenditure (38.5 per cent) has been earmarked for interest payments estimated at Rs. 214.1 billion, as compared to the revised budget estimates for 1997-98 of Rs. 189.3 billion (37.1 per cent). The expenditure on Public Sector Development Programme (PSDP) financed from the budget was estimated to increase by 24.1 per cent from Rs. 89.1 billion in 1997-98 to Rs. 110.6 billion in 1998-99 but subsequently it was reduced to Rs. 98.1 billion.

1.22 About 90 per cent of fiscal deficit of Rs. 143.2 billion has been estimated to be financed by domestic borrowing. Of the internal financing of Rs. 128.5 billion, the bank borrowing has been estimated at Rs. 39.2 billion and the non-bank borrowing at Rs. 89.3 billion. The external borrowing (net) is estimated at Rs. 14.7 billion compared to Rs. 35.1 billion in 1997-98. Details are given in Annexure-1.5.

1.23 The fiscal position during 1998-99 continues to remain under pressure. The imposition of sanctions in the post nuclear explosion period, restrictive policies in the foreign sectors, compression of external trade and slow economic growth contributed to the shortfall in government revenues. The reduction of the maximum tariff rate to 35 per cent with number of non-zero slabs in custom duties to four with rates of 10 per cent, 15 per cent, 25 per cent and 35 per cent has also contributed in tax collection.

1.24 During July 1998 - April 1999 the CBR tax collection stood at Rs. 229.6 billion compared with Rs. 225.1 billion during the same period last year, showing an increase of 2.0 per cent. At this level, tax collection was 64.7 per cent of original target of Rs. 354.6 billion and 72.2 per cent of the current target of Rs. 318.0 billion. The decline in tax collection is largely attributable to a decline in imports, a reduction in tax rates and low economic activity reflecting in lower growth rate. Table 1 below gives the details of CBR tax collection up to April 1999 and the corresponding period last year *vis-a-vis* the revised estimates for 1998-99.

Table-1  
Federal Tax Collection from Principal Taxes

(Current Billion Rupees)

Heads	1998-99 Revised Targets	Actual (July-April)			% of Revised Target 1998-99
		1998-99	1997-98	% Change	
Direct Taxes	120.5	78.5	74.9	4.8	65.1
Custom Duties	69.8	49.9	61.0	-18.2	71.5
Federal Excise	65.4	47.5	48.5	-2.0	72.6
Sales Tax	72.6	53.7	40.7	32.0	74.0
Total:	318.0 <sup>1</sup>	229.6	225.1	2.0	72.2

<sup>1</sup>Details of revised target of individual tax items are not available.

Source: Central Board of Revenue.

1.25 To meet the revised target of Rs. 318.0 billion, the CBR has to collect Rs. 88.4 billion in the remaining two months or more than Rs. 44 billion on monthly average. This would require significant improvement in tax collection efforts so as to keep the overall budget deficit close to the budget estimates.

## Monetary and Credit Developments

1.26 The original Credit Plan for 1998-99 has estimated expansion in domestic liquidity (M2) at Rs. 164.0 billion or 13.64 per cent. The net foreign assets of the banking system were projected to have a neutral impact on monetary expansion. As a consequence, domestic credit expansion was estimated at Rs. 164.0 billion (12.80 per cent).

1.27 The Credit Plan for 1998-99 has been revised to accommodate the impact of post-detonation developments and rescheduling of external debt. The monetary expansion (M2) in the revised estimates is set at Rs. 93.3 billion (7.76 per cent) and domestic credit expansion at Rs. 83.4 billion (6.51 per cent). The net foreign assets of the banking system, which were estimated to have a neutral impact on domestic liquidity in the original Credit Plan have been estimated to exert an expansionary impact of Rs 9.9 billion. Target for borrowing for budgetary support from the banking system, which was estimated at Rs. 43.0 billion in the Original Credit Plan; have been revised to net retirement of Rs. 58.1 billion. The provision for commodity operations has been kept at Rs. 10.0 billion. Credit to the private sector has been kept at Rs. 82.1 billion. Other items (net) have been estimated to exert an expansionary impact of Rs. 29.4 billion.

1.28 The implementation of 1998-99 Credit Plan indicates that since July 1, 1998 to March 27, 1999 money supply (M2) has increased by 3.32 per cent compared to a much larger expansion of 14.22 per cent during the corresponding period last year. The slower growth in money supply has been mainly the result of reduced government borrowing for budgetary support due to rescheduling of some of the foreign debt and retirement of private sector credit that was obtained on the basis of collateralisation of Foreign Currency Deposits in the past several years. The net domestic assets during this period expanded by 1.29 percent compared with a rise of 11.65 percent in the same period last year. Net foreign assets have increased by Rs. 23.3 billion compared with an increase of Rs. 20.0 billion in the same period last year. Details are given in Annexure-1.6.

## Capital market developments

1.29 The government during 1996-98 has implemented a number of reforms to strengthen the capital market by removing tax anomalies and offering incentives to attract new investment. These reform measures include a programme for the relaxation of limits on investment in shares by provident and pension funds and insurance companies, withdrawal of withholding tax on foreign investment in fixed-income securities, and making NBFIs investment in listed debt securities eligible for meeting the statutory liquidity requirement. The 0.5 per cent tax on turnover of shares was discontinued; bonus shares were exempted from tax; and the tax exemption on capital gains was extended by three years beyond June 1998.

1.30 The government has also rationalized the tax treatment of public and private mutual funds. In May 1997, the Government in collaboration with Asian Development Bank (ADB) formulated a Capital Market Development Programme (CMDP). The main objectives of the CMDP are to increase mobilization of long term resources, bring about efficient resource allocation, make the capital market diversified and competitive and thus encourage broader participation of issuers and investors.

1.31 The available information up to 21 May 1999 shows that the capital market remained predominantly bearish during a larger part of 1998-99. However, compared with the 1997-98 the stock market shows a visible improvement. This has been reflected in the Karachi Stock Exchange (KSE) index. As on 21 May 1999 the KSE index has increased by 49.4 per cent compared with a decline of 43.8 per cent in 1997-98. The State Bank General Index of Share Prices during the same period also increased by 5.0 per cent compared with a decline of 30.9 per cent. The volume of trading at KSE during 1998-99 went up by 7.5 billion to 21.2 billion shares. Table-2 below gives the details during 1998-99.

Table-2  
Key Indicators of Capital Market

Capital Market Indicator	Billion Rupees			Percentage Changes	
	1996-97	1997-98	1998-99 <sup>1</sup>	1997-88	1998-99
KSE-100 Index (1991=1000)	1565.7	879.6	1314.3	-48.8	49.4
SBP General Index (1991=100)	143.0	98.8	103.79 <sup>2</sup>	-30.9	5.0
Turnover of Shares (Billion Share)	8.1	15.0	21.2	85.2	41.3
Market Capitalization	469.2	259.4	350.0	-44.7	34.9

<sup>1</sup>As on 21-05-1999.

<sup>2</sup>As on 09-05-1999.

## BALANCE OF PAYMENTS

1.32 The Annual Plan 1998-99 had visualised an improvement in the current account balance mainly due to a sharp fall in imports compared to exports and increased flow of remittances through the banking channel. The imports (fob) were projected to decline by 18.3 percent due to import substitution in agriculture sector and weak prices of crude oil and POL products. The exports (fob), on the other hand, were anticipated to decrease by 1.4 percent due to recession in the world market. The workers remittances were projected at \$ 1100 million. As a result the current account deficit was projected to decline to \$ 1792 million (2.8% of GDP).

1.33 The latest estimates for the year 1998-99 indicate a significant deterioration in the balance of payments due to substantial decline in private transfers and invisibles receipts. While the exports during the first ten months (July-April) of 1998-99 decreased by 11.7 percent in dollar terms, imports have also declined by 11.2 percent resulting in a contraction of 8.7 percent in the trade deficit over the same period last year. Workers remittances during the first ten months of the year declined by 30.9 percent. Based on these trends, the current account deficit is likely to be \$ 2416 million (3.7% of GDP) in 1998-99, higher than last year's level of \$ 1921 million (3.0% of GDP).

1.34 **Exports:** During the first ten months (July-April) 1998-99, exports stood at \$ 6308 million as compared to \$ 7142 million during the same period last year. This shows a decline of 11.7 percent. The decline is due to sharp fall in export receipts from raw cotton, leather, fish & fish preparations, cotton yarn, cotton cloth, readymade garments, synthetic textiles, sports goods and surgical goods. Cotton exports have been seriously affected as its production fell due to plants disease and foggy weather in the Punjab province. Decline in exports is due to fall both in price and volume terms, with price effect being more pronounced. The contribution of fall in prices has been 7.7 percent as against decline in volume of 4.0 percent. Recessionary trends in the global economy and a fall out of East Asian crisis has also adversely affected world demand, thus exports from Pakistan. Exports of knitwear, bedwear, vegetables, petroleum & petroleum products and other category of exports, however, have shown significant increases over the same period last year.

1.35 It is expected that the exports would pick up during the coming months of the year. However, total exports (fob) estimated at \$ 7605 million in 1998-99 are likely to be lower by 9.8 percent from last year's level of \$ 8434 million. Annexure-1.7 gives a detailed account of exports performance.

1.36 **Imports:** Imports have fallen by 11.2 percent to \$ 7515 million during the ten months of 1998-99 largely on account of lower wheat and sugar imports, decline in imports of power & electrical machinery, fall in the cost of a large number of other imports particularly oil, dampening impact of dual foreign exchange rate regime and 30 percent cash margin requirement for L/Cs (which has gradually been withdrawn in January and February, 1999). Imports of crude oil, petroleum products, synthetic fibre and rubber tyres & tubes have declined due to sharp fall in prices while imports of wheat, sugar, insecticides, iron & steel scrap and iron & steel declined on account of fall both in volumes and prices. However, the import of tea, soyabean oil, artificial silk yarn and fertilizers have registered increases despite sharp fall in their prices.

1.37 It is expected that the declining trend in imports will slow down during the subsequent months because of the withdrawal of cash margin requirement for L/Cs. Total imports (fob) for the full year 1998-99 are estimated at \$ 9054 million, lower by 12.1 percent from the preceding year. Annexure-1.8 gives a detailed breakdown of imports.

1.38 **Invisibles Account:** During the ten months of the current year, home remittances amounted to \$ 875 million, lower by \$ 391 million over the same period last year. Flow of remittances suffered a setback partly due to the freezing of foreign currency account. However,

with the unification of the exchange rate flow of remittances is expected to increase through the official channels. Remittances for the full year 1998-99 thus have been estimated at \$ 1032 million. An increase in deposits in the foreign currency accounts is also anticipated as holders of frozen foreign currency accounts are likely to transfer money to foreign currency accounts. After allowing for other net services flows the deficit on invisibles account is expected to reach \$ 967 million in 1998-99 against \$ 54 million last year.

1.39 **Current Account Balance:** With the trade deficit at \$ 1449 million and invisibles deficit at \$ 967 million, the current account deficit for 1998-99 is estimated at \$ 2416 million (3.7% of GDP) compared to \$ 1921 million (3.0% of GDP) in the preceding year.

1.40 **Capital Account:** Gross aid disbursements are estimated to fall to \$ 2682 million in 1998-99 as against \$ 2803 million disbursed in 1997-98 largely due to decline in food aid. Allowing for other capital flows, the overall balance is expected to be in surplus by \$ 1648 million. Pakistan's net position with the IMF, and other transactions of the banking system will allow a build-up of \$ 1048 million in gross foreign exchange reserves. Addition of \$ 1048 million will enhance the reserves to a level of \$ 1386 million, equivalent to 7.3 weeks' imports from \$ 934 million equivalent to 4.3 weeks' imports in 1997-88.

## II. PROSPECTS FOR 1999-2000

1.41 Growth prospects for the economy during 1999-2000 largely depend on recovery in the agriculture as well as industrial sectors. A number of policy measures, already put in place by the Government in recent months, are expected to make a gradual recovery. These include larger provision of agriculture credit and yellow tractors to farmers and significant expansion of credit facilities for small and medium enterprises for which Small and Medium Enterprise Development Authority (SMEDA) has been established. However, because of lower investment in the last few years and IMF's stabilization programme in operation during the year, recovery in GDP growth in 1999-2000 will remain constrained to 5.0 percent. The sectoral composition of growth is given at Annexure-1.3.

1.42 The Agriculture sector is envisaged to grow at the rate of 4.3 percent in 1999-2000. The growth in major crops will largely depend on growth in output of wheat by 8.0 percent, cotton and gram by 10.4 percent each and rice by 4.1 percent. Other contributors to agriculture growth will be minor crops (4.5 %), livestock (3.0 %) and fishing (4.0 %), respectively. Production targets of major agricultural products may be seen at Annexure-1.1.

1.43 Manufacturing sector is projected to achieve a growth rate of 5.8 percent during 1999-2000. Since the investment in the large-scale manufacturing has in fact fallen during the year 1998-99 its growth constrained to 4.3 percent will largely come from efficient utilisation of existing capacity and revival of sick units. Small scale manufacturing sector is estimated to grow by 8.4 percent. The major boost to industrial growth is expected from cement (10.0%), motor tyres (12.0 %), trucks and buses (11.4%), tractors (25.0%) cotton ginning (10.2%), electric motors (15.3 %) and petroleum products (3.0 %). Production targets of different industries are given at Annexure-1.2.

1.44 The Electricity & Gas Distribution sector is projected to increase by 5.0 percent. The installed capacity of power sector is estimated to increase by 779 MW, showing an addition of 325 MW in the public sector and 454 MW in the private sector. However, due to retirement of 155 MW in the public sector, net addition in the installed capacity of power sector in 1999-2000 would be 624 MW. Thus, the installed capacity of power sector is expected to increase from 17608 MW in 1998-99 to 18232 MW by the end of June 2000. However, because of slackness in demand entailing slow down in economic activity, growth of total energy generation during 1999-2000 is expected to be 68469 GWh, 36662 GWh generated by WAPDA, 11019 GWh by KESC, 494 GWh by PASMIC / KANNUP and 20788 GWh by private sector.

1.45 The Services sectors as a whole are projected to grow by 5.1 percent. The transport and communications sector is projected to grow at the rate of 5.3 percent. The contribution would come from road transport followed by pipeline transport and telecommunications. Based on growth in the output of agriculture and manufacturing sectors and the targeted import, the trade sector is forecast to grow by 4.8 percent. The Finance and insurance sector is projected to grow by 5.0 percent, whereas public administration and defense is targeted to grow by 3.5 percent.

1.46 Fixed investment is projected to grow by 38.9 percent to Rs 556.2 billion. In terms of percent of GDP, it implies an increase from 13.2 percent of GDP in 1998-99 to 16.5 percent in 1999-2000. Public investment is targeted to reach Rs 205.8 billion whereas private investment would amount to Rs 350.4 billion. The share of public and private sectors in GDP would be 6.1 and 10.4 percent, respectively.

1.47 National savings are expected to rise from 11.0 percent to 15.3 percent of GDP in 1999-2000, financing 84.8 percent of total investment. External resource requirement is at 2.7 percent of GDP and is projected to finance 15.2 percent of the total investment. For the promotion of investment and savings, efforts will be made to enforce the fiscal discipline, enhance equity financing and improve the efficiency of financial institutions. Low inflation experienced in 1998-99 (6.5 %) and a further reduction to 6.0 per cent in 1999-2000 will also help in realizing larger savings. Details of the macro-economic framework showing total resources and their uses are presented at Annexure-1.4.

1.48 Inflation: It is expected that the inflation rate will further fall to 6 per cent during 1999-2000.

1.49 Trade Account: It is expected that 1999-2000 may experience an improvement in the balance of payments stemming from recovery in export growth. Exports (fob) are projected to grow by 18.3 percent while imports (fob) are forecast to increase by about 8.2 percent. The import projections are based on import substitution in agriculture sector and revival of the industrial activity in the country. The increase in exports earnings is predicated on increased production of cotton and rice as well as revival of the manufacturing sector, improvement in quality and competitiveness of value added products and adherence to the delivery schedule. The trade account is projected to be in deficit by \$ 800 million in 1999-2000 against a deficit of \$ 1449 million in 1998-99.

1.50 **Invisible Account:** Prospects for the invisibles balance will continue to be governed mainly by the behaviour of the workers' remittances and foreign currency accounts (residents). For 1999-2000, remittances have been projected at \$ 1300 million and foreign currency accounts at \$ 500 million. Allowing for other invisibles receipts and payments, the deficit in invisibles is anticipated to increase to \$ 971 million in 1999-2000 compared with \$ 967 million during 1998-99.

1.51 **Current Account Balance:** With a deficit of \$ 800 million in the trade account and \$ 971 million in the invisibles account, the current account deficit is estimated to decline to \$ 1771 million (2.7% of GDP) in 1999-2000 from \$ 2416 million (3.7% of GDP) in 1998-99.

1.52 **Capital Accounts:** Gross disbursements of official development assistance are expected to decrease to \$ 2232 million on account of decreased disbursements of project and programmed aid. However, after allowing for other capital movements, a surplus of \$ 1966 million is likely to occur in the overall balance. Taking into consideration Pakistan's net position with the IMF and other transactions of the banking system, a build up of \$ 1119 million in reserves is expected during 1999-2000. Annexure-1.9 depicts detailed balance of payments position for 1997-98 to 1999-2000.

## CHAPTER 2

### PUBLIC SECTOR DEVELOPMENT PROGRAMME 1999-2000

The Public Sector Development Programme (PSDP) 1999-2000 has been formulated within the frame-work of the policy agenda of the present Government. The ultimate objectives of the Government is i) to pursue the goal of structural and macro economic adjustment in order to bring stability in the economy, ii) to aim at accelerating development in production, social, Human Resource Development, and physical infrastructure sectors so as to ensure sustained high growth, iii) wider dispersal of economic benefits amongst people at large and iv) removing regional disparities as far as possible.

2.2 The Public Sector Development Programme includes Federal Ministries/Divisions, Provincial Development Programme, Special Development Programmes (Tameer-e-Sindh Programme, Afghan Refugees Rehabilitation Programme and Grant for Tameer-e-Watan) and Corporation Development Programme (Investment Programme of WAPDA, OGDC, NHA and other non-budgetary Federal Corporations). The Development Programme of National Highway Authority (NHA) will be entirely financed through the budgetary resources. In case of WAPDA and OGDC only foreign aid channelled through budget is reflected in the budgetary programme. Village Electrification is entirely financed through Budgetary Resources.

### BUDGETARY DEVELOPMENT PROGRAMME 1998-99

2.3 For the year 1998-99 as against the requirement of Rs 150 billion for budgetary PSDP, the NEC approved PSDP of Rs 110.6 billion which was reduced to Rs 98.1 billion in October, 1998 and the entire cut of Rs 12.5 billion was applied on rupee component of non-SAP Projects and foreign aid component of the Federal PSDP. Hence the rupee allocation was reduced from Rs. 64.1 billion to Rs. 54.3 billion and the foreign aid component from Rs. 46.5 billion to Rs. 43.9 billion in the overall PSDP. Until April, 1999 the releases by the Ministry of Finance are estimated to be about Rs.34.0 billion which are 63% of the overall rupee allocations. The slow releases tend to hamper the overall development and also affect the pace of foreign aid utilization. In wake of foregoing scenario the throwforward of Federal on-going projects stands at about Rs.310.0 billion as on 1.7.99.

### BUDGETARY DEVELOPMENT PROGRAMME 1999-2000

2.4 The total size of the budgetary development programme in 1999-2000 is Rs. 116.3 billion which is about 18.6% higher than the revised budgetary development programme for 1998-99. The size of the revised Public Sector Development Programme during 1998-99 was Rs.98.1 billion. Despite severe resource constraints, efforts have been made to provide adequate funds to ongoing projects of national importance such as Chashma Right Bank Canal, Stage I+II+III, Pat Feeder Canal, Drainage and Reclamation Projects (Punjab, Sindh and NWFP), National Drainage Programme (NDP) Flood Sector Projects, Chashma Nuclear Power Project (300 MW), District Mianwali, Petroleum Concession Projects, Various Railways Projects, Bulk Water Supply from Khanpur Dam to Islamabad and Rawalpindi, Prime Minister's Programme for Family Planning and Primary Health Care, Expanded Programme of Immunization, ADB Assisted Farm-to-Market Roads Project (Phase-I), Japanese Assisted Rural Roads Construction Project (Phase-I), Population Welfare Programme, Chashma Hydro Power

Project, Secondary Transmission and Grids (5th Stage Project, Ghazi Brotha Hydro Power, Project, Indus Highway Project, Kohat Tunnel, Dualization of N-5 Projects, Islamabad - Peshawar Motorway, Mansehra Naran-Jalkhad Road, and Village Electrification.

2.5 New initiatives of National Importance have also been accommodated in Public Sector Development Programme (PSDP) 1999-2000. These projects includes Smarts Schools under 2010 Programme, Curriculum Reforms in the context of 21st Century Description P.M's 2010 Programme, Yaum-e-Takbeer Talented Students Scholarships Scheme, Teachers and Researchers Overseas Training Scholarship Scheme (100 scholars and Researchers per year), Rural Development and Enterprize Project, Farm-to-Market Roads (20000 Kms), Youth Entrepreneurial Development Project, Skill Development in High Schools, Pakistan 2010 Programme (Phase-II), Ph.D Programme at PIDE, Electronic Programme, National Information Technology Project, Total Quality Management & Productivity Project and Project for Development of Engineering, Chemical and Electronics through Cluster Councils.

2.6 Out of total allocation of Rs. 116.3 billion, Rs. 41.3 billion have been allocated to the Development Programme of Federal Ministries/ Divisions, Rs. 28.8 billion have been earmarked for provinces, Rs. 3.9 billion for Special Areas, Rs.3.6 billion for Special Programmes and Rs. 38.7 billion for the Corporations Programme to be financed from the budget.

2.7 The comparative position for the year 1998-99 and 1999-2000 is summarized in the table below, whereas the sector-wise comparative position is given in Annexure-2.1.

#### PSDP ALLOCATION

(Million Rupees)

PROGRAMME	ALLOCATION FOR 1998-99		ALLOCATION FOR 1999-2000	
	TOTAL	F.AID	TOTAL	F.AID
1 Federal Ministries	32,554.401	13,133.157	41,158.627	13,343.769
2. Special Programmes				
i) Tameer-i-Sindh Programme	500.000	0.000	500.000	0.000
ii) Afghan Refugees Rehabilitation Programme	100.000	0.000	100.000	0.000
iii) Tameer-e-Watan Programme	2,500.000	0.000	3000.000	0.000
3. Special Areas	3,948.000	1,276.000	4048.000	740.960
4. WAPDA, OGDC, & NHA	29,731.000	16,441.000	38,685.000	16,521.000
4. Provincial Programme	28,800.000	13,000.000	28,800.000	13,000.000
<b>TOTAL BDP</b>	<b>98,137.401</b>	<b>43,850.157</b>	<b>116,291.627</b>	<b>43,605.729</b>

2:8 In terms of priorities, 19.3% of the total Budgetary PSDP allocation for 1999-2000 has been provided to Power Sector including budgetary part of WAPDA's Corporate Programme and Village Electrification. 19.2% has been allocated to T & C Sector including NHA Programme. Water Sector claims about 9.7%. The project-wise allocative strategy of the plan is to concentrate on completion of on-going projects rather than spreading the funds thinly. An allocation of Rs. 17.9 billion has also been earmarked to new projects in PSDP 1999-2000. Some of the prominent features of various sectors are detailed in the following paragraphs:-

- i) As development and management of water resources is high in our development priorities, an allocation of Rs. 11.3 billion has been made to the sector in PSDP 1999-2000. Major programmes which would be covered; are Drainage & Reclamation, Onfarm Water Management, of M/o Food, Agriculture, Livestock Division, Flood Sector and irrigation projects such as Chashma Right Bank Canal, Pat Feeder Canal and the National Drainage Programme (NDP) etc.
- ii) An amount of Rs. 3.0 billion has been provided to Power Sector in PSDP 1999-2000. The important projects included in the Sector are Chashma Nuclear Power Project, Nuclear Mineral Survey, Phase-IV, Lahore, Detailed Exploration of Uranium in DG.Khan Phase-V and Reshun Hydro Power Project.
- iii) In Fuel sector allocation has been enhanced from Rs. 1.1 billion in 1998-99 to Rs. 1.2 billion in 1999-2000, showing an increase of 9.1%. The allocation is almost on the same level during the current year, however, the slight increase is mainly due to including a new Projects entitled "Establishment of CNG Station at Quetta" and "POL-GOP's Joint Venture in Central Potowar".
- iv) Adequate funds ( Rs. 3.2 billion) have been provided to Transport and Communications sector. Major projects to be covered would be Track Rehabilitation, Rehabilitation of 101 Diesel Locos, Tract Circuiting of 94 Stations and Procurement of 30 Locos (3000 HP) under Railways Division and Special Communication Organization (SCO), Gawader Fish Harbour and Pakistan Telecommunications Regulation and Privatization Support Project under Communications Division.
- v) Physical Planning sector has been provided adequate funds (Rs 3.2 billion) which has drastic increase of 128.6% over the last year allocation of Rs 1.4 billion. Major Projects would include Rural Water Supply Schemes, Khanpur Dam, Dualization of Kashmir Highway from Zeropoint to Dokri Chowk, Dualization of Islamabad Highway from Gurah Bridge to Rawat, Construction of 3rd Lane from Faizabad Crossing to Flying Club Turning, P/L of Water Supply from Shah Allah Ditta Reservoir (Khanpur-1) and Development Packages of Sindh, NWFP, Balochistan & FATA.
- vi) Adequate allocation of Rs. 1.6 billion in PSDP 1999-2000 has been made to the Education sector which shows an increase of 77.8% over the last year's allocation of Rs 0.9 billion. The major projects amongst other, would cover Primary

Education, Secondary Education, Vocational Training Programme, 10,000 Non Formal Basic Education Schools and University Education. In addition new initiatives i.e. Smart Schools under 2010 Programme, Curriculum Reforms in the context of 21st Century Description P.M's 2010 Programme, Yaum-e-Takbeer Talented Students Scholarship Scheme, Upgradation of Curriculum in Deeni Madaris have also been included during 1999-2000.

- vii) Consistent with the policy of the government to provide health cover to a large segment of population, Rs. 2.7 billion have been allocated to Health Sector in PSDP 1999-2000. The Major Projects are; Extended Programme of Immunization, Malaria Control and Aids Programmes, Bolan Medical College, P.M's Programme for Family Planning and Primary Health Care (Lady Health Workers), Women Health Project, ADB, Upgradation and Renovation of Facilities at PIMS, Islamabad, Karachi Institute of Radiotherapy and Nuclear Medicine (KIRAN) and Institute of Nursing & Health Services Sheikh Zayed Postgraduate Medical Institute, Lahore.
- viii) Rs 10.5 billion has been provided to Rural Development Sector in PSDP 1999-2000 which has an increase of 288.9% over the last year's allocation. This increase is due to inclusion of new initiatives entitled "Rural Development and Enterprize Project" with an allocation of Rs 0.3 billion and "Farm-to-Market Roads ( 20000 Kms )" with an allocation of Rs 7.5 billion in Rural Development Sector.
- ix) Great emphasis has been laid down on Science & Technology Sector in PSDP 1999-2000. For this purpose an amount of Rs 0.4 billion have been allocated to this sector as against Rs 0.1 billion during last year showing an increase of 300%. Main projects included in this sector are National University of Science & Technology (NUST), Rawalpindi (Phase-I & Phase- II), Teachers and Researchers Overseas Training Scholarship Scheme (100 Scholars and Researchers per year) and National Information Technology Project.
- x) In order to arrest the high rate of population growth, increased allocations have been made to Population Welfare sector during the past four years. Accordingly, it has been allocated Rs. 2.2 billion for the programme in 1999-2000 as compared to Rs. 2.0 billion during 1998-99 showing an increase of 10%.

## **SPECIAL AREAS PROGRAMME**

2.9 An allocation of Rs 4.0 billion has been proposed in the Federal PSDP 1999-2000 for Special Areas ( AJK, Northern Areas, FATA and FATA-DC) which is almost at the same level as provided during 1998-99. However, foreign aid has been decreased by Rs 535.04 million with corresponding increase in the local component. The area-wise allocation as

compared to 1998-99 is shown below:-

### SPECIAL AREAS ALLOCATION

(Million Rs.)

Special Areas	Allocations for 1998-99		Allocations for 1999-2000	
	Total	Foreign Aid	Total	Foreign Aid
1	2	3	4	5
AJK	2,034.719	795.000	2134.719	682.000
NA	865.680	227.000	865.680	50.000
FATA	923.021	227.000	923.021	0.000
FATA-DC	124.580	27.000	124.580	8.960
<b>Total:-</b>	<b>3948.000</b>	<b>1276.000</b>	<b>4048.000</b>	<b>740.960</b>

### PROGRAMME OF WAPDA, OGDC and NHA.

2.10 In the corporate sector, the programme of NHA will be entirely financed from the budget. As regards WAPDA (Power) and OGDC, foreign loans which pass through the budget to these Corporations, would be part of budgetary programme, as in the past. For the rest of their programmes, they would either finance it through own resources or from capital market or foreign loan/equity:-

### BUDGETARY CORPORATION DEVELOPMENT PROGRAMME 1999-2000

(Rs. in Million)

Corporations	Total	Budgeted Rupees	Budgeted Aid	Self Financing	Bank Borrowing	Foreign Loan/Equity
WAPDA*	29735.5	5800.0	13688.5	2855.0	6484.0	908.0
OGDC	6792.7	0.0	96.5	6696.2	0.0	0.0
NHA	19100.0	16364.0	2736.0	0.0	0.0	0.0
<b>TOTAL:</b>	<b>55628.2</b>	<b>22164.0</b>	<b>16521.0</b>	<b>9551.2</b>	<b>6484.0</b>	<b>908.0</b>

\* Includes village Electrification

2.11 As can be seen from Para 2.10, the total investment programme of NHA has been sizably increased which will boost provision/improvement of infrastructural facilities enhancing the well-being of common man and indirectly adding to the productive capacity of the

economy. The non budgetary corporations in the T & C, Industry, Fuel, Power and Mass Media sectors are planning an investment programme of Rs. 57868.351 million. As for these Corporations, special care has been taken this year to limit their investment programme within resource availability so that these Corporations do not take recourse to net incremental bank borrowing or withhold Government or other dues to finance their development commitments. These Corporations would be allowed bank borrowing only to the extent of their principal payments during the year. This was essentially needed to ensure that their excessive commitments do not destabilise fiscal or monetary targets. The Ministry of Finance would finalize the programme of non-budgetary Public Sector Corporations Programme for 1999-2000 in the light of overall fiscal and monetary position. The Ministries concerned should also ensure strict compliance of the cap placed on their investment programme and adherence to financing plan so that the objective of monetary and fiscal stability is achieved.

## CHAPTER 3

### MAIN FEATURES OF SECTORAL PROGRAMMES

#### AGRICULTURE

##### Review of 1998-99

###### Financial

An allocation of Rs 490.591 million was originally made for the agriculture sector in the Federal PSDP 1998-99, after applying cut it was reduced to Rs.426.591 million against which Rs 116.691 million was utilized. The low utilization was mainly due to non-availability of foreign aid for three new projects.

###### Physical

3.2 The agriculture sector registered a growth rate of 0.4 per cent against a target of 5.4 per cent. The poor performance was due to low production of cotton, wheat, gram and maize crops caused by adverse weather. The cotton crop was affected by unfavourable weather conditions and virus attack. Its production of 8.8 million bales was 16.2 per cent lower than the target of 10.5 million bales. Similarly, the production of wheat, maize and gram was 7.4 per cent, 13.2 per cent and 12.6 per cent, respectively, lower than the target. However, rice, sugarcane and potato production increased by 6.4 per cent, 7.8 per cent and 10.0 per cent, against their respective target. The onion production of 1,175.0 thousand tonnes was close to the target.

3.3 The major crops registered a decline of 0.6 per cent over last year. The minor crops grew marginally by 0.4 per cent. The livestock and fisheries sub-sectors grew by 1.5 per cent and 3.7 per cent, respectively. The forestry sub-sector declined by 24.4 per cent. The physical targets and achievements are given at Annexure-1.1.

##### Programme for 1999-2000

###### Financial

3.4 An allocation of Rs 289.116 million has been made in the Federal PSDP 1999-2000 for the agriculture sector.

###### Physical

3.5 The Government has taken various measures, such as larger provision of credit to farmers for purchase of agricultural inputs, increased availability of seed, fertilizer and agricultural machinery and integrated pest management for control of insects. These measures will help in enhancing agricultural productivity. A growth rate of 4.3 per cent has been

envisaged for the agriculture sector during 1999-2000. The contribution of major and minor crops will be 5.4 per cent and 4.5 per cent, respectively. The livestock and fisheries sub-sectors will contribute 3.0 per cent and 4.0 per cent, respectively.

3.6 A fertilizer offtake target of 2,936.0 thousand nutrient tonnes has been fixed for 1999-2000 which is 12.9 per cent higher than the actual offtake during 1998-99. The target for distribution of improved seed has been fixed at 254.0 thousand tonnes as compared to the achievement of 124.4 thousand tonnes in 1998-99.

### **Major Programmes**

3.7 Keeping in view the financial constraint, priority has been given to on-going projects. However, two new Agricultural Education projects have been accommodated in the PSDP. The major programmes are discussed in the subsequent paragraphs.

### **Agricultural Research**

3.8 Tea Research and Development Project will be continued. It will impart training on tea cultivation, provide nursery plants to tea growers and assist them in establishment of tea plantation. Research will be conducted on development of disease resistant and high sucrose content varieties of sugarcane under the National Sugar Research Institute project. The Coastal Zone Agricultural Research and Development Project will be continued with a view to conduct research on different crops suitable for growing in coastal areas of Sindh and Balochistan in order to improve their productivity. Research on cultivation of oil crops in Cholistan areas will be continued. It will provide research based information, on-farm demonstration and training of the local people. Research studies on production, sustainability, fertilizer use efficiency and insect pest resistance on rice-based cropping system will be continued. Oilpalm nurseries will be developed on private and Government farms for distribution of seedlings to growers in Sindh and Balochistan under the "Oilpalm Development Pilot Project".

### **Agriculture Sector Investment Project**

3.9 Agriculture Sector investment Project (ASIP) will be launched in order to alleviate rural poverty through increased agricultural out-put in an efficient and sustainable manner. It will finance key agricultural investment projects in areas such as agricultural research and extension, livestock, fisheries and forestry sub-sectors. It will also help in identifying and putting in place necessary changes in the systems, policies and institutions related to agriculture.

### **Agricultural Extension**

3.10 The implementation of the project "Increasing Productivity of Kitchen Crops" will be continued. It will provide quality seed of vegetables and pulses to the growers in order to increase their productivity. The project will also disseminate improved production technologies to growers for increasing production of kitchen crops. Development and research activities for improvement of productivity of arid areas will be continued. Priority will be given to dry-land farming, agro-forestry, soil/water conservation, range/livestock and wild life development.

## **Agricultural Education**

3.11 The improvement and strengthening of teaching, research and laboratory facilities at the University of Agriculture, Faisalabad will be continued. The civil works at Agricultural Colleges at Dokri, Larkana and Multan will also be continued. Repair and renovation works of old buildings at Universities of Agriculture, Faisalabad and construction of hostel for 250 students at Agricultural University, Tandojam will be continued.

3.12 A new project entitled, "Development of Academic Facilities at University of Arid Agriculture, Rawalpindi" will be started in order to improve the teaching and research facilities. Post-graduation programme for various disciplines of arid agriculture will be started. Repair works on old hostels, residences and academic blocks will be started at the University of Agriculture, Peshawar.

## **Livestock**

3.13 The project for the establishment of a National Veterinary Laboratory at Islamabad will be continued. It will serve as a national reference laboratory and provide vaccine quality control services to the Federal and Provincial Livestock Departments. It will also help in evaluating veterinary drugs for safety, potency and efficiency.

## **Soils and Fertilizer**

3.14 Three on-going research and development projects on fertilizer use namely, "Phosphate Use Development in Pakistan", "Application of Gypsum to Improve Soil Fertility" and "Potash Use for Enhancing Crop Productivity" will be continued.

# **WATER RESOURCES DEVELOPMENT**

## **Review of 1998-99**

### **Financial**

3.15 An allocation of Rs. 11634.880 million during 1998-99, is expected to be utilized fully by June 1999.

### **Physical**

3.16 The overall water availability in the irrigation system increased by 0.06 Mhm (0.48 MAF) from 16.44 Mhm (133.28 MAF) in 1997-98 to 16.50 Mhm (133.76 MAF) in 1998-99 (10.20 Mhm surface and 6.30 Mhm groundwater). Out of total water available during 1998-99, about 9.52 Mhm (77.18 MAF) was available during Kharif and 6.98 Mhm during Rabi. Sub-sector-wise physical achievements are given in the following table.

Table

## Physical Targets and Achievements during 1998-99

S.No.	Item	Unit	Targets 1998-99	Achievements 1998-99(Exp.)	Percent Achieved
1.	Water Availability	Mhm	16.62	16.50	99
		MAF	134.74	133.76	99
	<b><u>Drainage &amp; Reclamation</u></b>				
2.	Disastrous area Protected from Waterlogging and Salinity	MH	0.39	0.28	72
3.	SCARP Tubewells				
	a) Drilling	NO	182	15	8
	b) Energization	NO	627	540	86
	c) Transition to Private Sector	NO	570	50	9
4.	Surface Drains (E.W) Rehabilitation/Const.	MCM KM	6.85 —	7.73 1901	113
5.	Sub-surface Drain	Ha/KM	813 (KM)	9429 (Ha)	100
6.	Structures	No	---	501	---
7.	<b><u>Flood Control</u></b>				
	- Earth work	MCM	8.09	8.10	100
	- Stone work	MCM	0.76	0.76	100
8.	<b><u>OFWM Programme</u></b>				
	- Watercourse Improvement	No.	123	323	262
	- Precision Land Levelling	Ha	---	146	---

## Programme for 1999-2000

## I) Financial

3.17 A total sum of Rs. 11288.91 million including foreign aid of Rs. 6158.00 million has been allocated to the Water Sector projects/programmes in the PSDP 1999-2000.

## II) Physical

3.18 It is expected that water availability will increase from 16.50 Mhm (133.76 MAF) in 1998-99 to 16.62 Mhm (134.74 MAF) in 1999-2000. Out of total 16.62 Mhm, about 10.36 Mhm (would be available from surface water supplies through watercourse improvement, canal remodelling and small irrigation schemes. The remaining 6.26 Mhm (50.75 MAF) would be extracted from underground fresh water aquifer mainly by private tubewells. About 0.24 MHa (0.59 MA) of salt affected land would be reclaimed by drilling and energizing 30 and 65 SCARP tubewells respectively. Further, 5000 private tubewells are expected to be installed during the year 1999-2000. Moreover, excavation of 7.73 MCM of earth for surface drains, construction/rehabilitation of 1148 Km of new/old drains, construction of 28 Km and 228 Km of main irrigation canals and distributaries/minors respectively, and laying tile drains in an area of 42 hectares (104 acres) will be carried out. Under OFWM Programme about 982 water-courses will be improved and 514 hectares land will be precisely levelled. Main programmes/projects to be implemented during 1999-2000 are given below:

### i) DRAINAGE AND RECLAMATION PROGRAMME

3.19 This programme will continue to receive major share i.e Rs. 4313.00 million (38 % excluding allocation of NDP), of Water Sector financial allocation. The programme envisages drilling of 21 and energization of 61 SCARP tubewells and transitioning of 289 SCARP tubewells to Private sector, excavation of 7.73 MCM earth for surface drain, construction of 28 Km and 228 Km of main irrigation canals and distributaries/minors respectively and laying tile drains in an area of 42 hectares (104 acres). It is expected that 0.24 MHa (0.59 MA) will be protected from waterlogging and salinity. The programme includes 10 drainage projects (6 in Punjab, 3 in Sindh and 1 in NWFP) in addition to NDP which has been shown separately. Adequate allocations have been made for Fordwah Sadiqia (South), Fordwah Sadiqia Remaining, SCARP Gojra Khewra, Upper Rechna Remaining Deg Basin, LBOD, and Swabi SCARP for their timely completion.

3.20 The National Drainage Programme costing Rs. 31400 million will be taken up to restore the sustainability of irrigated agriculture in an environmentally sound manner by (a) minimizing drainable surplus and (b) evacuation of drainable surplus from the Indus Basin to the sea. For this purpose a sum of Rs. 3000 million including foreign aid of Rs. 2525 million, as a share of Federal Government, has been allocated. The respective Provincial allocations will be reflected in the Provincial ADPs.

### ii) IRRIGATION

#### a. Chashma Right Bank Canal Project.

3.21 Stage-I and II of CRBC project have been completed whereas work on Stage-III, including construction of main canal, distributaries/minors, flood carrier channels and a number of structures will be undertaken. An amount of Rs. 2800 million including foreign aid of Rs.1750 million has been allocated to this project.

## b. Pat Feeder Canal Project.

3.22 Remodelling work on the main canal, disposal and carrier drains has been completed. Work on distributaries and minors has also been completed. The balance amount of Rs. 180 million all in foreign aid has been allocated in the PSDP 1999-2000 for maintenance and payment of final bills.

### iii) ON-FARM WATER MANAGEMENT (OFWM)

3.23 It is an on-going programme being implemented with the assistance of Government of Japan. Physical work includes renovation of 912 watercourses and establishment of 66 no. Storage Tank. Allocation to this programme during 1999-2000, will be reflected in the Provincial ADPs. However, Rs. 51.00 million have been allocated in the Federal PSDP 1999-2000. A new project of the same programme " On-farm Water Management-IV (World Bank assisted) has been initiated so as to improve 8290 watercourses, constructing of 400 nos. storage tanks, Precision Land Levelling of 25000 hectares and establish 1000 demonstration centres. For this Programme a sum of Rs. 20 million (local) has been allocated in the PSDP 1999-2000.

### iv) FLOOD PROTECTION PROGRAMME.

3.24 The flood control works are undertaken under two main programme namely, Normal/emergent Flood Works and Second Flood Sector Project (World Bank Assisted). The World Bank assisted Flood Sector Project is aimed at protecting village abadies, private property and public infrastructure situated along the rivers. The programme during 1999-2000 envisages execution of a number of small schemes in Punjab, Sindh, NWFP, Balochistan, FATA, Northern areas and AJK. A total of Rs. 735 million including foreign aid of Rs. 300 million have been allocated for the above mentioned programmes.

### v) SURVEY, INVESTIGATION AND RESEARCH.

3.25 Survey, Investigation and Research is a continuing programme being carried out by WAPDA. During the year 1999-2000, the work will continue on a number of important schemes such as International Waterlogging and Salinity Research, Munda Dam Multipurpose Project, Ground Water Investigation-cum-development in Barani Areas of Gujrat District, Strengthening of Nasrat Loop Bund and Hydrological Map of Pakistan. A sum of Rs. 56 million including foreign aid of Rs. 10 million has been allocated to this programme.

## ENERGY

### Power

#### Review of 1998-99

#### Financial

3.26 An allocation of Rs. 31710.8 million (including F.aid of Rs.14,834 million) was made for the Power Sub-sector during 1998-99, including budgetary corporation and excluding

non-budgetary corporations. Against the above allocation, the revised estimates for 1998-99 are Rs. 28,664.29 million (including F. aid of Rs. 13,703.4 million).

#### Physical

3.27 During 1998-99 an additional capacity of 941 MW is expected to be added in the National Grid, comprising of Reshun Hydel Power Project (2.8 MW) & Jagran Power Project (30 MW) in Public Sector and Habibullah Energy Limited (140 MW), Japan Power Generation Limited (120 MW), Roush Pakistan Power Limited (412 MW) & Liberty Power Project (236 MW). Beside, this addition, 157 MW has been decommissioned comprising of Shahdara Gas Turbine (27 MW) and Multan Steam (130 MW), the net addition in the National Grid System is 784 MW. With this net addition of 784 MW, the total installed generating capacity of the country increased from 15,968 MW in 1997-98 to 16,752 MW in 1998-99. Total energy Generation including Private sector would be 64,940 GWh against the target of 65,328 GWh. System losses are expected to decrease from 28.54% in 1997-98 to 27.15% in 1998-99.

3.28 During 1998-99, 5,01,700 number of new connections are expected to be provided by WAPDA and KESC. It is expected that 3,005 villages / abadies would also be electrified by WAPDA & KESC.

#### Programme for 1999-2000

##### Financial

3.29 An allocation of Rs. 32,698.48 million (including F. aid of Rs. 13,688.50 million) has been made for the Power Sector including budgetary corporation and excluding non-budgetary corporation.

##### Physical

3.30 It is planned to add 1,610 MW additional capacity during 1999-2000 comprising of Chashma Nuclear Power Project (325 MW) in Public Sector and Altern Energy Limited (14 MW), Fauji Kabir Wala Power Project (157 MW), Sabah Power Company (114 MW), Uch Power Project (586 MW), Power Generation System Limited (116 MW), Davis Energy (10 MW) and Sabah Shipyard (288 MW) in Private Sector. Besides this 155 MW comprising of Multan Steam (130 MW) and Sukkur Steam (25 MW) in WAPDA system is expected to be retired during 1999-2000. Thus the net capacity addition in National Grid System in 1999-2000 would be 1,455 MW. With the addition of 1,455 MW (Net) the total installed generating capacity would increase from 16,752 MW in 1998-99 to 18,207 MW in 1999-2000. The total energy generation including Private Sector is targeted to be 67,495 GWh in 1999-2000 as compared to 64,940 GWh during 1998-99 showing an increase 3.93%. During 1999-2000 about 850,000 number of new connections would be provided by WAPDA and KESC besides electrification of 5,092 new villages/abadies by WAPDA & KESC.

## **Fuel**

### **Review of 1998-99**

#### **Financial**

3.31 An allocation of Rs. 7214.2 million was made for Fuel Sector during 1998-99, including budgetary corporations but excluding non-budgetary corporations. Against the above allocation, the revised estimates are Rs. 7404.5 million.

#### **Physical**

3.32 Oil production during 1998-99 is expected to be about 55422 BPD against the target of 61904 BPD showing 89.5 percent achievement. Gas production is expected to be 2024 MMCFD against the target of 2372 MMCFD, showing 85.3 percent achievement against the target. A total of 44 wells both in public and private sector comprising of 18 exploratory and 26 development/appraisal wells, are expected to be drilled against the target of 44 wells showing 100 percent achievement. The LPG production is expected to be 478 Metric tons per day in 1998-99 showing 82.4 percent achievement. Estimated production of coal during 1998-99 is 3.78 million tons as compared to target of 3.78 million tons showing 100 percent achievement.

### **Programme for 1999-2000**

#### **Financial**

3.33 An allocation of Rs. 7962.680 million has been made during 1999-2000 for Fuel sector including budgetary corporation but excluding non-budgetary corporations.

#### **Physical**

3.34 During 1999-2000, the crude oil production is planned to be 61236 BPD against estimated production of 55422 BPD in 1998-99 showing 10.5 percent increase over previous year. The gas production is planned to be 2404 MMCFD against estimated production of 2024 MMCFD in 1998-99 showing 18.8 percent increase over previous year. A total of 45 wells both in Public and Private Sectors are planned to be drilled during 1999-2000, comprising of 20 exploratory and 25 appraisal/development wells. The LPG production is estimated to be 656 metric tons/day. The coal production is planned to be 4.53 million tons during 1999-2000 as compared to 3.78 million tons during 1998-99 showing 19.8 percent increase over the previous year.

## **MANUFACTURING**

### **Review of 1998-99:**

3.35 In Federal PSDP 1998-99 an allocation of Rs.597 million was made for manufacturing sector projects which included Rs.567.0 million for Development Scheme for

rehabilitation of Peoples Steel Mills Ltd, Karachi and Rs.30.0 million for establishment of Special Industrial Zone, Nawabshah. After applying cut the total allocation of manufacturing sector has been reduced to Rs.387 million, Rs.367 million for Peoples Steel Mills and Rs.20 million for the Special Industrial Zone Nawabshah. Against this allocation Peoples Steel Mills, Karachi has utilized Rs.380.15 million upto April 1999 and the project namely Establishment of SIZ Nawabshah has utilized Rs.13.0 million upto April, 1999.

#### Programme for 1999-2000

3.36 An allocation of Rs 260.100 million under PSDP-1999-2000 has been made for Manufacturing Sector Projects. This includes two ongoing schemes namely "Development Scheme for Rehabilitation of Peoples Steel Mills Ltd., Karachi with an allocation of Rs 250.00 million and Special Industrial Zone Nawabshah" with an allocation Rs 10.00 million. For one new scheme Proposed TA project for ITO Wing of Ministry of Commerce" a token allocation of Rs 0.10 million has been made.

## MINERALS

#### Review of PSDP 1998 - 99

3.37 Against an allocation of Rs 648.457 million for two Mineral Sector projects, an expenditure of Rs 206.50 million is estimated up to April 1999. Major part of the allocation i.e. Rs 638.457 million was meant for Saindak Metals Ltd., where Rs 196.50 million have been utilized. Funds allocated for GSP-JICA Follow-up Technical Cooperation for Geo-science Laboratories, Islamabad are likely to be fully utilized upto June 1999.

#### Programme for 1999 - 2000

3.38 In mineral sector a PSDP allocation of Rs 38.00 million has been made for two on-going projects during 1999-2000. This includes Rs 22.00 million for the completion of project namely "GSP-JICA Follow up Technical Cooperation for Geo-Science Laboratories, Islamabad" and Rs 16.00 million for Construction of Laboratory and Offices for GSP at Lahore. These projects are planned for completion within this year 1999-2000.

## TRANSPORT AND COMMUNICATIONS

#### REVIEW OF 1998-99

3.39 The public sector development programme for 1998-99 envisaged an outlay of Rs.41,332.45 million in the Federal Public Sector Programme comprising of Rs.4,181.45 million for the budgetary programme, Rs.15,080.00 million for the budgetary corporation programme (NHA) and Rs.22,071.00 million for the non-budgetary corporation programme viz. PTCL, PIAC, CAA and PNSC. Against this an expenditure of Rs.38,395.87 million is expected to be incurred, which would include Rs.4,210.31 million for the budgetary programme, Rs.14,334.00 million for the budgetary corporation programme (NHA) and Rs.19,851.56 million for the non-budgetary corporation programme viz. PTCL, PIAC, CAA and PNSC; giving an overall

utilization of 92.90 per cent. Salient features of implementation are given below:

## **I- RAILWAYS**

3.40 Against the revised allocation of Rs.2,083.74 million an expenditure of Rs.2,801.00 million has been incurred. Pakistan Railway carried out 67 Km of rail renewal, 10 Km of sleeper renewal, renovation of passenger coaches etc., rehabilitation of 16 DE Loco, procurement of 10 fully assembled D.E.Locos & procurement of material for local assembly of 20 D.E.Locos. Work on track circuiting of 94 stations was accelerated achieving 90% completion.

## **II. D.G. PORTS & SHIPPING.**

3.41 The entire allocation of Rs.40.00 million has been spent on completion of the going works for the Gwadar Fish Harbour cum mini port project.

## **III. NATIONAL HIGHWAYS & BRIDGES (NHA)**

3.42 Against an allocation of Rs.15,080 million an expenditure of Rs.14,334.00 million has been incurred on the development programme of National Highways giving a utilization of 99.63 percent. Work on dualization of National Highway (N-5) on different sections, improvement of 1,189 Km long Indus Highway, Sukkur Bridge & Bypass and construction work on Lahore Bypass progressed. Improvement of various sections of National Highways N-25 in Baluchistan were completed while work on Provincial projects viz Chiniot Bridge, Bara Nathiangali Road & Tall Parachinar Road also progressed. Partial land acquisition for Islamabad-Peshawar motorway & Pindi-Bhattian motorway was made. Work on Lahore-Islamabad Motorway linkages at both ends was completed.

## **IV. AIR TRANSPORT**

### **CIVIL AVIATION AUTHORITY**

3.43 Against an allocation of Rs.6,177 million which includes Rs.5257 million for the budgetary programme & Rs.690 million for budgetary programme (New air Terminal completed at Lahore airport & Acquisition of land for Sialkot international airport) an expenditure of Rs.5701.56 million has been incurred on completion of work on strengthening / extension of runway at Islamabad, international departure lounge at Lahore, concourse at Quetta, development of the airport at Nawab Shah as an alternate to Karachi airport, upgradation of Moenjodaro airport for Boeing 737 operations and acquisition of land for extension of runway terminal building at Rahim Yar Khan. Work on rebuilding of the Secondary runway at Karachi was also initiated.

### **AIRPORT SECURITY FORCE**

3.44 The entire allocation of Rs.5.56 million has been incurred on construction of residential accommodation at Quetta and five small airports.

## Pakistan Meteorological Department

3.45 Against the revised allocation of Rs.317.15 million an expenditure of Rs.547.75 million has been incurred on the improvement of Meteorological Radar Network and provision of additional Met. facilities in the Northern Areas.

### V. Research (NTRC)

3.46 Against the revised allocation of Rs.4.00 million an expenditure of Rs.5.00 million has been incurred on continuation of research programme.

### VI. TELECOMMUNICATION (PTCL)

3.47 Against an allocation of Rs.15,000 million an expenditure of Rs.14,150.00 million has been incurred on the provision of new telephone connections, long distance PCOs and other telecommunication facilities by the PTCL.

### SPECIAL COMMUNICATION ORGANIZATION (S.C.O.)

3.48 The entire allocation of Rs.500.00 million was spent on the telecommunication uplift programme for AJ&K and the Northern Areas.

### PROGRAMME FOR 1999-2000

3.49 An allocation of Rs.50,823.46 million has been made for the development of Transport & Communications sector. This includes Rs.3,236.46 million for the budgetary programme, Rs.18,450 million for the budgetary corporations (NHA) and Rs.29,137 million for the non-budgetary corporation programme i.e. PTCL, PIAC, CAA and PNSC.

### I. PAKISTAN RAILWAYS

3.50 An allocation of Rs.2,016.60 million has been made for completion of work on track circuiting of 94 stations, acceleration of work on track rehabilitation which would include rail renewal of 50 Km & sleeper renewal of 111 Km. Rehabilitation of 24 DE Locos, assembly of 10 D.E.Locos, improvement of signalling works, bridge works & work on catch siding at Dojzan, overhead bridge at Pattoki and Gojra underpass etc.

### II. PORTS & SHIPPING

3.51 An allocation of Rs.80.00 million has been made for completion of the remaining works on Gwadar Fish Harbour project which includes desalination plant, ice plant & buildings etc.

### III. NATIONAL HIGHWAYS AND BRIDGES

3.52 An allocation of Rs.18,450 million has been made for the National Highways

telecommunication facilities viz providing new telephone connections and long distance PCOs.

#### PAKISTAN TELECOMMUNICATIONS AUTHORITY (PTA)

3.60 An allocation of Rs.780.00 million has been made for the Pakistan Telecommunications Regulation & Support project financed by the world bank, for purchase of land, construction of buildings, installation of equipment and purchase of vehicles, mobile systems etc.

#### SPECIAL COMMUNICATION ORGANIZATION (SCO)

3.61 An allocation of Rs.294.75 million has been made for telecommunication uplift programme in the AJ&K and Northern Areas.

#### VIII. PAKISTAN POST OFFICES

3.62 An allocation of Rs.15.71 million has been made for acceleration of work on post office buildings and residential quarters.

### PHYSICAL PLANNING AND HOUSING

#### Review of 1998-99

#### Financial

3.63 A total allocation of Rs. 9697.009 million was provided, against which an expenditure of Rs. 8,297 million is reported to have been incurred upto June 1999, showing 82 percent utilization.

#### PP&H ALLOCATION AND EXPENDITURE (1998-99) (Excluding Special Areas)

(Million Rs)

Agency	Allocation (1998-99)	Estimated Expenditure (1998-99)	Percentage Utilization
1. Federal Government	1417.009	1232	70%
2. Provincial Governments	<u>8280</u>	<u>7065</u>	85%
- Punjab	5410	4230	78%
- Sindh	1000	1060	106%
- NWFP	1060	1000	94%
- Balochistan	810	775	96%
<b>Total:</b>	<b><u>9697.009</u></b> (SAP:7800)	<b><u>8297</u></b> (SAP:6400)	<b><u>86%</u></b> (SAP 82%)

Notes: Entire SAP's allocation is for implementing Rural Water Supply and Sanitation Projects.

## Physical

3.64 The sectoral programmes mainly comprised of urban and rural water supply and sanitation, provision of developed residential plots to Low-income families, improvement of Katchi Abadis/slums and construction of houses for Government Employees and Offices/Buildings. Details of physical targets and expected achievements during 1998-99 are given below:

### PP&H PHYSICAL TARGETS AND ACHIEVEMENTS

Programme/ Projects	Unit	Target (1998-99)	Achieve- ments (1998-99)	%age Achieve- ments (1998-99)	Planned Targets (1999- 2000)
1. Urban Residential Plots(3-5 Marlas)	No.	100,000	25,000	25%	100,000
2. Urban Water Supply	Addl. Population served (in million)	2.500	1.250	50%	2.500
3. Urban Sewerage Drainage	-do-	2.750	0.750	28%	2.000
4. Govt. Servants Housing	No.	7000	225	3%	2500
5. Katchi Abadis & Slums Improvement	Popu. benefited (in million)	1.000	0.750	75%	1.500
6. 5-Marla Resident Plots in Rural Areas.	No. of Plots (in million)	0.250	0.075	38%	0.250
<b>SAP Funded</b>					
7. Rural Water Supply	Addl. Population served (in million)	7.000	1.750	25%	3.500
8. Rural Sanitation	-do-	6.000	1.600	26%	2.500

## PP&H Programme for 1999-2000

### Financial

3.65 For 1999-2000, an amount of Rs. 3044.693 million has been allocated in Federal PSDP for implementing Physical Planning & Housing, Water Supply and Sewage projects. It includes Rs. 975.000 million for implementing the new directives from the Prime Minister, pertaining to the PP&H Sector. Whereas, Rs. 945 million are allocated to implement Federal projects outside Capital Area, i.e. in Provinces and FATA/FRs. In addition, the overall size of Provincial PSDPs would be around Rs. 9,000 million to implement PP&H projects, including about Rs. 5900 million from the Social Action Programme to implement rural water supply and sanitation schemes.

### Physical

3.66 At Federal level, the on-going development works will be geared up for completing the nearing completion projects of Water Supply from Khanpur Dam to Islamabad/Rawalpindi (Phase-1); Augmentation of Islamabad Water Supply with Seepage Water and Tubewells in National Park Area and Replacement of Conduction Mains from Sectors F-5 to G-7/2. Besides, the projects of Additional works for Safety of Simly Dam and Laying of pipeline for water supply from Shah Allah Ditta Reservoir (Khanpur-I) to various Sectors of Islamabad, and Rehabilitation of Islamabad Sewage Treatment Plants will be taken up. The works on "dualization of kashmir Highway from Zero Point to Dhokri Chowk" and of "Islamabad Highway from Gurah Bridge to Rawat", will be undertaken, besides the "construction of "I.J. Principal Road from Faizabad Inter-Change to G.T. Road" and "3rd lane from Faizabad Crossing to Flying Club Crossing on Islamabad Highway". The under-construction buildings of National Police Academy, Election House, AGPR Office & Audit House Islamabad, Civil Defence Training College Quetta and Haj Complex Sukker etc, will be completed. The ongoing works of office-accomodation being implemented at various locations by the M/o Housing and Works (Pak-PWD, NHA, CBR); Interior Division. (FCs-NWFP/Baluchistan, Pakistan Rangers Punjab/Sindh, FIA; ICTA; Immigration, Coast Guards), and Ministry of KANA & SAFRON will be continued besides the construction of Parliament Lodges Islamabad by the CDA; Bagh-e-Quaid-e-Azam Karachi by M/o Enviroment, and High Court Bench at Larkana by M/o Law & Justice.

3.67 In case of housing for Federal Government Employees, only nearing completion and on-going/in-hand works will be accelerated, for completion by June 2000, including residences of Supreme Court Judges, the P.M.'s Staff and AGPR colonies Islamabad, Federal Lodge-Nawabshah and other housing projects at Islamabad, Lahore, Karachi and Quetta.

3.68 New projects to be commenced this year include Replacement of Air-conditioning Systems in Pakistan Secretariat Blocks, Islamabad and ICTA Office Complex Islamabad, etc. In addition, the Urban Infrastructure Development Packages will be launched in Sindh, NWFP; Baluchistan and FATA. In addition, the office-buildings, residential accommodations, barracks and water supply schemes will be implemented in Frontier Regions including Mohamand, Bajour and South Waziristan Agencies and new by created District of Malakand. Also, four small

bridges over Nullahs in Hazara Division and a canal for water supply in Musa Khel area will be developed.

3.69 Under the Social Action Programme, it is planned to extend overall coverage of the safe drinking water supply to 64.65 percent of total rural population, whereas 30.52 percent will get hygienic sanitation facility. This year, in rural areas additional 3.5 million souls will be served with water supply and 2.5 million with the sanitation. This includes undertaking of more than 36 small rural water supply and sanitation schemes in various villages of Islamabad Capital Territory Area.

## **MASS MEDIA**

### **Review of PSDP 1998-99**

3.70 The revised allocation for the year 1998-99 was Rs.44.346 million for the agencies of Television and Radio.

### **Pakistan Television Corporation**

3.71 The revised allocation for Pakistan Television was Rs.29.946 million. Rs.11.783 million and Rs.8.031 million allocated to Video Playback Centre Wad and Lasbella respectively were reappropriated to Video Playback Centre Zhob, Turbat and Second TV Channel (Phase II). Work on VPC Wad and Lasbella is held up, therefore, the amount was reappropriated to the above nearing completion projects. VPC Zhob and Turbat will be completed by utilising Rs.2.138 million and Rs.2.00 million respectively by June 1999. Other projects of VPC Daroosh and Booni are also being completed this year. Second TV Channel Phase-II has utilised the entire Foreign Aid component of Rs.347.945 million and Rs.32.00 million from local component. Out of the total 15 VPCs 12 are complete and work on the remaining 3 VPCs is in progress.

### **Pakistan Broadcasting Corporation**

3.72 After cut the allocation for Pakistan Broadcasting Corporation (PBC) was reduced to Rs.14.468 million from Rs.45.00 million. The revised estimates are about Rs.14.00 million. The projects of additional security works, balancing and modernisation of equipment transmitters and radio station, Mirpur, Broadcasting House, Hyderabad and Broadcasting House Karachi made some progress. The allocation for new projects was slashed. The projects of 100 KMW Transmitter Karachi and 10 KMW transmitter and Broadcasting House, Loralai are ready for inauguration.

### **Programme for 1999-2000**

3.73 For the year 1999-2000 Rs.130.025 million have been allocated against Rs.44.346 million allocated in 1998-99. The allocation include Rs.34.0 million for new projects while Rs.96.025 million for ongoing projects. Sub-sectoral position is as follows:

## **M/O Information and Media Development**

### **a) Pakistan Television Corporation (PTVC)**

3.74 Rupees 35.00 million have been allocated for PTV which includes Rs.10.00 million for the Second TV Channel Phase-II. New Projects of TV Boosters at Pooran, Batagram and Besham taken up under PM's directive have been allocated Rs.5.00 million each. Rs. 5.00 million each have also been earmarked to TV Booster at Shakargarh and PTV Library.

### **b) Pakistan Broadcasting Corporation (PBC)**

3.75 Pakistan Broadcasting Corporation (PBC) will receive Rs.70.00 million for their nine projects. Rs.15.00 million are earmarked to balancing and modernisation project. Broadcasting House Larkana project has been allocated Rs.8.00 million for transmitter and studio equipment. The 100 KMW, 100 KSW transmitters and BH Mirpur will utilise Rs.10.00 million while BH Karachi project will consume Rs.20.00 million for completion. The project of 100 KMW Rawalpindi transmitter will also be completed by utilising Rs.7.85 million. The new project, sound archives on Compact Disc (CD) has been allocated Rs.5.00 million.

## **Ministry of Law, Justice and Human Rights**

3.76 The Human Right mass awareness and education project is recommended Rs.21.025 million including Rs.20.425 million Norwegian Grant. The project will get Norwegian Grant to the tune of Rs.69.00 million. The project involves publication of news letters, advertisements in the electronic media, seminars, workshops etc for creating awareness of Human Rights in the people.

## **Ministry of Planning and Development**

3.77 The Development Communication Programme project costing Rs.63 million has been assigned Rs. 4.00 million for the year 1999-2000. The project aims at the setting up of an in-house production studio, DevCom MIS, Dev Com website etc. A central repository of information on all development issues in Pakistan will be set up. Development Communication is a message related to any aspect of Development, Propagated/discussed through any forum of media.

## **CULTURE, SPORTS, TOURISM AND YOUTH AFFAIRS**

### **Review of PSDP 1998-99**

3.78 An allocation of Rs.212.721 million was made for Culture, Sports, Tourism & Youth under Federal PSDP, 1998-99. After applying cut, the amount has been reduced to Rs.168.721 million, against this amount utilization is estimated at Rs 144.001 million which is 86%.

## Programme for 1999-2000

### Culture and Archaeology

3.79 An allocation of Rs 72.615 million for PSDP 1999-2000 has been made for Culture and Archaeology sub-sector. This includes Rs 71.115 million for sixteen on-going schemes and Rs 1.5 million for one new scheme titled "Improvement of Library of Iqbal Academy, Lahore.

### Sports

3.80 An allocation of Rs 80.197 million for PSDP 1999-2000 has been made for Sports sub-sector. This includes Rs 4.197 million for two on-going schemes and Rs 76.0 million for four new schemes.

### Tourism

3.81 An allocation of Rs 107.617 million for PSDP 1999-2000 has been made for Tourism sub-sector. This includes Rs 95.617 million with foreign exchange component of Rs 31.210 million for thirteen on-going schemes and Rs 12.00 million for two new schemes, both related to Visit Pakistan Year 2001.

### Youth

3.82 An allocation of Rs 16.00 million for PSDP 1999-2000 has been made for Youth sub-sector. This includes Rs 6.00 million for three on-going schemes and Rs 10.00 million for one new scheme titled "Youth Entrepreneurial Development Project".

## EDUCATION AND TRAINING

### Review of 1998-99

#### Financial:

3.83 For the financial year 1998-99 Rs.908.196 million including Foreign Aid Rs.182.629 million were allocated for the development and expansion of education sector which are expected to be utilized 100% in the year under review.

#### Physical:

3.84 Major programmes implemented during the year are expansion and development of higher education facilities and award of scholarships. An amount of Rs.230 million (26%) was earmarked for universities. Various urgent development works of the universities were undertaken. Rs.85.0 million were allocated for establishment of Third World Centre for Science & Technology in Chemical Sciences, University of Karachi. Rs.167.0 million were spent on local & foreign scholarships supporting expenditures on higher education of deserving students in the country and abroad. During the year about 60 scholars were sent abroad while 50 returned.

back after completion of their studies. About 400 foreign students sought admission in various institutions of the country on self-finance basis. Expansion of primary education, literacy and mass education were the other priority projects. During the year under review Rs.140.0 million provided to the already established 7000 Non-Formal Basic Education Schools and 350 Non-formal Basic Education Schools were established. Physical facilities of primary and secondary schools in Islamabad and Cantts/Garrisons were improved by constructing new buildings of schools and adding new class rooms in the required schools.

#### Programme for 1999-2000

3.85 Under Federal PSDP 1999-2000, Rs.1622.688 million (Foreign Aid Rs.130.094 million) have been allocated for Education and Training Sector against the last year's allocation of Rs.908.196 million (Foreign Aid Rs.182.6 million)

3.86 Out of total provision an amount of Rs.457 million as local component has been allocated for expansion and development of University Education. Out of which Rs.76 million have been earmarked for development of indigenous science and technology manpower to prepare 300 Ph.D. scholars. Rs.179 million have been earmarked for award of scholarships to deserving students and teachers on merit to pursue their higher education in the country and abroad. During this year about 40 scholars will be sent abroad for higher studies. It is expected that during the year 1999-2000 about 600 foreign students will seek admission in various institutions of the country on self-finance basis. Rs.150 million have been allocated for establishment of Non-formal Basic Education Schools. Work on provision of physical facilities to primary and secondary schools will continue.

## SCIENCE AND TECHNOLOGY

#### Review 1998-99

3.87 A sum of Rs 170.060 million was allocated for S&T programmes in PSDP 1998-99. After applying cut the allocation has been reduced to Rs.125.060 million.

3.88 Ministry of Science and Technology continued supporting 250 scholars, pursuing their studies abroad in high technology fields. National University of Sciences and Technology (NUST) started split programme in collaboration with foreign universities. NUST also established industrial linkages and signed contracts with national R&D organization for joint research projects. In order to promote high-tech fields, NUST launched PhD programmes in computer systems and software, mechanical, micro-electronics and telecommunication engineering. National Institute of Transportation upgraded its laboratories through addition of new sophisticated equipment.

3.89 National Institute of Electronics procured equipment for setting up the design facility and conversion of lab. prototypes into commercially viable products. Central Testing Laboratories (CTL) introduced modern testing facilities with assistance of UNDP.

3.90 PCRWR developed a sub-station in the Cholistan desert for harvesting and collection of rainwater for drinking and irrigation purposes. Various research studies were

conducted on soil salinity, land reclamation, management of salt affected soils and saline water use.

3.91 PCSIR provided practical oriented training in industrial electronics engineering for repair, maintenance and development of industrial equipment. R&D activities continued on problems faced by industrial sector, in addition to adoption, modification and improvement of existing technologies at PCSIR Laboratories Quetta. PSTC Karachi strengthened its laboratories through addition of modern equipment to cope with the training needs of technicians. Various projects were provided funds under Technology Development Action Plan, which included consultancy programme for ISO-9000, development of shuttleless looms, installation of micro-hyde power plants and study programmes in environment and cryptology.

3.92 National Institute for Biotechnology and Genetic Engineering was involved in R&D work on microbial degradation of biomass and hydrocarbons, biological nitrogen fixation, utilization of salt affected lands for production of biomass, antibiotics and enzymology of DNA repairs.

#### Programme for 1999-2000

3.93 An allocation of Rs 423.250 million has been made for Science & Technology including Rs 295.0 million for new programmes. Special emphasis has been given to new initiatives such as promotion of information technology, total quality management and production. A project is also being launched for establishing cluster councils for development of engineering, chemical and electronics industry in Pakistan.

3.94 Ministry of Science and Technology will continue supporting scholars already studying abroad in high-tech fields. NUST will strengthen its training and research facilities through induction of modern equipment at its various constituent colleges. Under NUST Phase-II, the facilities will be extended to civilian students in medical, aeronautical and marine engineering fields. To meet the emerging needs of the new millennium, NUST will start MBA programme in addition to continuation of its split PhD programme.

3.95 PCSIR will induct equipment in line with the requirement of NED University for providing quality education at Institute of Industrial Electronics Engineering (IIEE). PCSIR Quetta will continue procurement of equipment and creation of facilities for meeting emerging demands of the local industry and strengthening of their technical capabilities. The CTL will complete strengthening of its laboratories to meet the challenges of the 21st century. PCRWR envisages to complete its various R&D programmes on reclamation of salt affected soils, water harvesting and soil salinity with an allocation of Rs 6.955 million. The programmes of National Technology Policy have been provided Rs 16.720 million for R&D projects and consultancy services to industrial sector. National Institute for Biotechnology and Genetic Engineering will continue R&D programmes in agriculture, health, industry and power sectors and will disseminate R&D results for commercial exploitation.

## HEALTH AND NUTRITION

### Review 1998-99

#### Financial

3.96 Total allocation for Health Sector in revised Federal PSDP was Rs.2847.344 million including foreign aids of Rs:435.232 million during 1998-99. Revised Estimates were Rs.2649.563 million showing 93 % percent utilization during the period under review.

3.97 Health Sector Programme continued to place emphasize on strengthening of primary health care for improvement of effectiveness and quality of health services addressing the disparities and creation of awareness in the community. Prime Minister's Program for Family Planning and Primary Health Care has been as a bridge, for creation of awareness and development of health attitude, between communities and Primary Health Care facilities.

#### Physical Review 1998-99

3.98 Achievements for 1998-99 include new construction of 15 RHCs and 70 BHUs, upgradation of 70 RHCs and 3000 BHUs construction of 7 urban health centres; and total of 2100 hospital beds, were established, Manpower production targets include graduation of 4200 doctors, 430 dentists, 2700 nurses 7000 paramedics, and 8500 TBAs CHWs. Immunization programme has protected 10.000 million children against 6 communicable diseases while management of diarrhoea included provision 25 million ORS packets.

### PSDP 1999-2000

#### Financial

3.99 An amount of Rs.2690.298 million including foreign aid of Rs.115.00 million has been allocated to Health Sector in the Federal PSDP during 1999-2000 which is 2.3 % of the total PSDP.

#### Plan of Action for 1999-2000

3.100 Like previous trends preventive programmes have been given priority during 1999-2000. An amount of Rs.2170 has been allocated to P.M.'s Programme for PHC & FP, EPI, Malaria & AIDs which is 80 % of the total allocation of Health Sector.

## NUTRITION

### Review of 1998-99

3.101 An amount of Rs. 3 million was allocated for nutrition programmes in the federal PSDP during 1998-99, which have been utilized. A review of programmes under-taken during

1998-99 is given below :-

a. **Iodine Deficiency Disorders (IDD) Control Programme**

3.102 Production and marketing of iodized salt country wide continued through Utility Stores Corporations (USC) outlets and private sector with the collaboration of UNICEF/ Social Marketing Pakistan (SMP). In the private sector 135000 tonnes iodized salt production capacity has been developed. About 400 salt processors (77 % of total) participated in production and marketing of iodized salt. Promotional campaign was carried out through 17 radio stations and TV network besides printed material and inter-personal communication. A monitoring survey of iodized salt programme by Radio Pakistan has been completed to assess the situation in Punjab.

b. **Protection and Promotion of Breast-feeding**

3.103 The Baby Friendly Hospital awards were extended to 52 hospitals while 19 hospitals received Certificate of Commitment by end 1998-99. Promotional activities carried out through multi-media campaign. The Breast-feeding Act to control/streamline the promotion of infant formulae by the manufacturers has been submitted for approval of concerned agencies companies.

c. **Prime Minister's Programme for Family Planning & Primary Health and Family Health Care.**

3.104 Support provided to 43,000 LHW's in Prime Minister Programme to deliver inputs and nutrition services for benefits of women and young children. This has been finalized, printed and circulated to the concerned agencies for collection of base-line information for monitoring of the programmes. Training has also been imparted to LHWs for promotion of breast-feeding and create demand for iodized salt in the country.

d. **Development of indicators for monitoring, Evaluation of Social Action Programme.**

3.105 A series of meetings with the collaboration of UNICEF were held to evolve detailed sectoral indicators for monitoring and evaluation of SAP Programme. These indicators would supplement the existing SAP indicators and help to develop a comprehensive sectoral baseline for monitoring and evaluation of programmes. The mapping of health facilities by categories and lactations has been completed.

3.106 The Micro-nutrient (Iron and Vitamin A) Fortification project was initiated with UNICEF/MI assistance. A situation analysis of the ghee/edible oil manufacturing and the flour milling industry was conducted. Two consultative meetings on Vitamin A fortification of edible oil and iron fortification of wheat flour were held in order to design a policy and plan of action for future. A research study on stability of vitamin A in edible oil & ghee during cooking has completed.

## **Programme for 1999-2000**

3.107 Rs. 3 million have been allocated for IDD control programmes for 1998-99. the following programmes will be implemented during 1999-2000

### **a. Micronutrient Deficiency Control Programme**

#### **i) IDD Control Programme**

3.108 Production and marketing of iodized salt through out the country will continue. The USC alongwith private marketing channels will be used for sale of iodized salt. The private salt processors will be motivated to produce and market iodized salt. Promotional campaign through radio and TV network and other media will continue. The quality control system for iodized salt will be strengthened to improve the quality of iodized salt.

#### **ii) Anaemia Control Programme**

3.109 A programme for anaemia control through food fortification on pilot scale are initiated and field assessment of flour milling sectoral and quality control agencies has been conducted to develop a programme for iron fortification of wheat flour. The programme would be developed initially on pilot basis at two places. Mass iron fortification of wheat flour will be developed on the evaluation of all aspects of the pilot phase.

#### **iii) Vitamin A Deficiency Control Programme**

3.110 The vitaminization of edible oil/ghee with vitamin A had already been legislated and standards formulated since 1965. However, the required level of vitamin A is not met by the manufacturers. An assessment of quality control and technical operations for vitaminization of edible oil has been conducted to strengthen the ongoing programme. Necessary technical support to oil manufacturers and the quality control agencies will be provided to improve the quality of the product for eliminating vitaminating A deficiency which is sub-clinical at present but may emerge as a public health problem in the future.

### **b. Promotion and Protection of Breast-feeding**

3.111 The Baby Friendly Hospital Initiative will be extended to more hospitals in all the provinces. Promotional activities will be carried out through multi-media campaign. The Breast-feeding Act would be finalized by the concerned Ministry to control/streamline the promotion of infant formulae by the manufacturing companies.

### **c. Prime Minister's Programme for Family Planning & Primary Health Care.**

3.112 Support will be provided to LHW's in Prime's Minister Programme to deliver inputs and nutrition services for benefits of women and young children. This will cover the majority of rural population which remains unserved through the static basic health service.

d. **Monitoring and Evaluation of Social Action Programme.**

3.113 The Government of Pakistan and UNICEF collaboration for monitoring and evaluation of social sector programme will continue. The social indicators developed will be finalized, printed and circulated to the concerned agencies for collection of base-line information for monitoring of the programmes.

e. **National Nutrition Survey**

3.114 A Nutrition Survey would be conducted to assess the national nutrition situation in the country. The survey will include assessment of micro-nutrient status of population. This will also help to set up a baseline information which will be used for formulating future programmes. The Nutrition Survey will be conducted with the collaboration of ADB/World Bank and Micro-nutrient Initiative (MI).

f. **SAP-II Nutrition Programme.**

3.115 Provincial governments will be assisted to develop provincial nutrition programmes and PC-I documents for improvement of nutrition status of vulnerable groups on sustainable basis. This project would strengthen institutions, the concerned line departments and involve NGOs and private sector to improve coordination and delivery of nutrition services to the vulnerable groups. The project will include programmes for combating micronutrient and protein-energy malnutrition and improving food security and strengthening information, education and communication.

## **POPULATION & SOCIAL PLANNING**

### **Review of 1998-99**

3.116 The programme mainly focussed on provision of family planning services at the doorstep of the target population through male and female Village Based Family Planning Workers and Commercial Sale Points of the private sector. It involved various Stockholders i.e. NGOs, Target Group Institutions, Provincial Line Departments and Private Sector to maximize the coverage. There was active support of line departments, at the provincial levels. The Social Marketing of Contraceptives played a commendable role for provision of hormonal contraceptives through their "Green Star" and Key Social Marketing (KSM) Programmes.

### **Financial Performance**

3.117 The programme was allocated Rs. 2000 million (FA Rs. 1100 million) during 1998-99, and utilized Rs. 1123.007 upto April 1998 which is 56%. The vacancy rate was considered to be a main blocking bolder hindering the pace of the programme due to which the envisaged infrastructure could not be put on ground. Procurement of contraceptives, medicines and other durable goods including vehicles is at advance stages and expected to be materialized during 4th quarter. This belated impetus to the programme is expected to increase the overall expenditure around 1450 million which is 73 percent of the program allocation.

### System Performance

During 1998-99 the Service delivery infrastructure was expanded. The Ministry of Population Welfare while maintaining already established 1518 Family Welfare Centres also added 13 new Centres during the year. They, however, maintained 131 Mobile Service Units already capped for the last three years due to their dismal performance. One new Reproductive Health Service "A" Centre was added to the already established 104 Centres. The numbers of MBFWs, Register Medical Practitioners, Hakeems / Homeopaths were increased by 1197, 1390 and 227, thereby raising their cumulative figures to 11997, 23145, and 21042 respectively.

### Contraceptive Prevalence Performance

3.119 The contraceptive performance data indicates that the programme has achieved 81% of schedule of contraceptive mix in terms of acceptors (3.604 million) upto March, 1999. Province-wise percentage with regard to acceptors show that Punjab, Sindh, NWFP, Baluchistan and District, Islamabad have been able to achieve 90%, 84%, 64%, 41% and 102% respectively.

3.120 Service outlet-wise performance analysis indicates that Family Welfare Centres, Village Based Family Planning Workers, NGOs, and Social Marketing of Contraceptives components achieved 32%, 5%, 8% and 36% targets respectively. Method wise analysis shows that condoms, IUD and injectables achieved 43%, 34% and 13% target respectively.

### Performance of the SMC/NGOS

3.121 Performance of the SMC/NGOs during July 98 to March 1999 (Actual) and April-June 1999 (Estimated) has been commendable. They sold/distributed 128.801 million Condoms, 5.917 million cycles of oral pills, 1.969 million vials of injectables, performed 1.045 million insertion of IUDs and 0.121 million cases of contraceptive surgeries. As a whole their share in the total acceptors of Family Planning services, public and private sectors both, works out to 3.061 million which is 64%.

### Demographic Situation

3.122 The year 1998-99 has been able to witness long awaited historical demographic transition i.e. a declining trend of Population growth. The population projections on the basis of 1998 Census data reveal a growth rate of 2.6 percent ( 1981-98 average ) and 2.4 percent for the year 1998.

### Programme for 1999-2000

3.123 During 1999-2000 a broader approach of Reproductive Health including Family Planning is envisaged to be pursued in line with I.C.P.D. Plan of Action. A High powered Working group has been constituted to formulate a National Reproductive Health Policy (NRHP) under the Chairmanship of Deputy Chairman, Planning commission. The programme will facilitate the clients using existing Service delivery infrastructure with its modest expansion.

## Financial Allocation

3.124 A PSDP allocation of Rs.2200 million including foreign assistance of Rs.1100 million has been earmarked for the population welfare sector, for the ensuing financial year.

## Physical Targets

3.125 The population Welfare Programme 1999-2000 envisages to increase the number of FWCs to 1688, RHS "A" Centres to 106. The programme also plans to increase the number of VBFPWs to 13084, (12032 males and 1052 females), maintain 7191 health outlets of Health Department and other PLDs, involve 32145 of RMPs, 13592 Hakeems and 7450 Homoeopaths and establish 7000 new sales points of SMC during next year there by raising their cumulative number to 60000. The MOH will consolidate the activities of LHWs and increase their number to 50,000.

3.126 The programme plans to achieve the target of 10 million IUD insertion, 0.2 million sterilization cases, 2.765 million injectables (vials), 7.605 million Oral pills (cycles) and 204.2 million condoms during 1999-2000.

## MANPOWER AND EMPLOYMENT

3.127 Human Resource Development and Employment is the priority area of the Governance. Prime Minister's Economic Revival Package, Agriculture Package and other measures such as PM's credit scheme for the educated unemployed, creation of small and Medium Enterprises Development Authority (SMEDA), revival of sick units, Motor-way projects and setting up of industrial zones will not only give rise to lot of economic activity but will also generate new job opportunities. Besides this Social Action Programme (SAP) will substantially help in creating new employment opportunities in social sectors. Similarly Pakistan Poverty Alleviation Fund (PPAF) will provide job opportunities to the needy / poor people. First Women Bank also formulating programmes creating Women's access to resources and imparting basic skills to them.

3.128 However the public sector due to scarcity of resources can not solve the unemployment problem fully. The sustainable answer to the problem is in the rapid growth of the private sector. Many jobs can also be created at local level by local initiatives through participatory development by mobilizing communities. Creation of such employment in the rural area will have the added advantage of curtailing rural-urban migration and reducing the poverty.

3.129 Both the Federal and provincial Governments are strengthening their training institutions to meet the training requirements both within and outside the country. The National Vocational Training Project Phase-II is almost complete and will start to impart training in the newly established 21 centres including five for women. The estimated enrollment is about 13000 trainees per annum.

## **REVIEW OF PUBLIC SECTOR DEVELOPMENT PROGRAMME (PSDP) 1998-99**

3.130 An allocation of Rs. 54.254 million was made for the Federal Manpower Sector in 1998-99. Thrust continued to be on skill development programmes.

### **I. NATIONAL VOCATIONAL TRAINING PROJECT PHASE-II.**

3.131 The Restructured/ Revised project was approved by ECNEC on February 11, 1993 at total cost of Rs. 2882.18 million including FEC of Rs. 1884.02 million.

3.132 The project utilized an allocated amount of Rs. 32.2 million for completion of remaining construction work at TTCs at Toba Tek Singh and Jaranwala by the respective provincial Governments, civil work of main office of National Training Bureau and National Staff Training Institute were continued. An allocation of Rs. 32.00 million is provided for installation of equipment and completion of remaining work at TTCs Jaranwala and Toba Tek Singh in 1999-2000.

### **II. WORKER'S POPULATION EDUCATION PROGRAMME**

3.133 The project with the assistance of UNDP was approved in February, 1993 at a cost of Rs. 43 million with UNFPA grant of Rs. 30 million. PSDP allocation of Rs. 14.2 million including FEC of Rs. 12.2 million was made for 1998-99 with the aim to expand the scope of workers population education to new areas, i.e. Hub, Haripur (Hattar), D.I. Khan and Sukkar and is expected to be utilized fully. An allocation of Rs. 2.40 (local only) has been made for 1999-2000. The UNFPA grant of Rs. 15 million will be disbursed by donors as usual.

### **III. CONSTRUCTION OF HOSTEL BUILDING FOR PAKISTAN MANPOWER INSTITUTE**

3.134 The original project was approved by DDWP in May, 1991 at a total cost of Rs. 12.42 million. The revised PC-I was approved in March, 1995 amounting Rs. 19.104 million. The project was revised again and it was approved by the CDWP on 16-3-98 at cost of Rs. 26.555 million. The project utilized an amount of Rs. 18.70 million up to June, 1997. An amount of Rs. 7.854 million were made during 1998-99 to complete the remaining civil work. The project will be made fully operational from July, 1999.

## **PUBLIC SECTOR DEVELOPMENT PROGRAMME 1999-2000**

3.135 An allocation of Rs. 84.4 million has been provided for two on-going and one new scheme. The schemes titled National Vocational Training Project (Phase-II) (Rs. 32 million) and Workers Population Education Programme (Rs. 2.40 million) and Rs. 50 million has been provided for new scheme namely Skill Development Programme in High Schools. The project will facilitate/ provide skill training to high school students.

## WOMEN IN DEVELOPMENT

3.136 The Ministry of Women Development sponsors a variety of small projects of women development to cater for special concerns of women. These projects are planned and implemented in collaboration with federal agencies, provincial line departments, and NGOs. The projects consist of community/welfare centres, dispensaries, eye units, gynecology wards, day care centres, women hostels, industrial homes, training centres, water supply schemes, women cooperatives, darul falah/amans, legal aid centres, credit schemes, strengthening of female educational/technical institutions, grant-in-aid for women programmes and to NGOs. The programme is divided under two main heads viz regular programme and special women action programme (SWAP).

### REVIEW OF ANNUAL DEVELOPMENT PROGRAMME FOR 1998-99

3.137 The projects for the current year were prepared keeping in view the improvement in the conditions of poor/ needy women & children, development programme for overall welfare of female population. The revised PSDP allocation for the year 1998-99 was Rs. 49.982 million for 53 on-going projects.

#### Financial Allocation for 1999-2000

3.138 Rs. 50 million have been provided to complete 53 schemes, most of them ongoing, in 1999-2000.

## SOCIAL WELFARE

### Review of 1998-99

#### Financial

3.139 The Social Welfare Sector during the year 1998-99 was allocated an amount of Rs. 78.575 million. The breakdown of that allocation included Rs. 52.00 million for Special Education and Rehabilitation Services for the disabled, Rs. 1.00 million for Social Welfare Services, Rs. 2.00 million for the capacity building of Voluntary Social Welfare Agencies or NGOs and Rs. 23.575 million for establishment Division (Staff Welfare Organization). All these allocations are expected to be fully utilized by the end of the current financial year (1998-99).

#### Physical

3.140 The existing agencies during the current fiscal year laid more emphasis on the completion of construction work of Special Education Schools, Social Welfare and Staff Welfare Centres functioning at National, Provincial, Divisional and District levels. The Federal Government continued its programme of providing financial assistance to the University of Punjab for the Master's Degree programme of teachers training in special education. The other achievements included the provision of stipendiary support to the children of low paid Federal Government Employees. Through a development scheme 12000 students were provided scholarships for the continuation of the studies. The National Council of Social Welfare provided

financial support to 400 NGOs for the strengthening, upgradation and revitalization of their programme.

### **Programme for 1999-2000**

#### **Financial**

3.141 The public sector development programme for the year 1999-2000 contains a provision of 95.075 for the social welfare sector. The sub-sector wise distribution of the allocation includes Rs. 68.500 for the handicapped welfare, Rs. 1.00 million for social welfare services, Rs. 2.00 million for capacity building and Rs. 23.575 million for staff welfare services.

#### **Physical**

3.142 The major emphasis during the next fiscal year would also be laid down on the completion of construction work of those projects which have reached at an advanced stage and physical progress is more than 80%. The construction work of six schemes pertaining to multipurpose community centres, lady industrial home, holiday home and other infrastructure of staff welfare organization is to be expected completed. Through another important scheme of staff welfare organization stipendiary support to more than 12000 low paid government employees would be provided for the purchase of text books, note books and tuition fee for their school and college going children. The construction work of the school building for the disabled children under construction at Lahore and Islamabad will be completed. The work pertaining to the finishing and furnishing of the special education centre for mentally retarded children will be completed to make the centre operational.

3.143 The necessary equipment transport furniture and fixture would also be arranged for the special education centre established at Lahore and the special education centre for physically handicapped children islamabad. The Universities of Karachi, Punjab and Allama Iqbal Open University will be assisted in completing their Master's Degree courses in special education. More than 70 postgraduate would be made available for absorption in the special education schools where there is scarcity of trained and professional staff. The National Council of Social Welfare would continue to provide financial and technical assistance to the NGOs operating in the far flung rural areas.

## **RURAL DEVELOPMENT**

### **Review of 1998-99**

3.144 During the financial year 1998-99, a amount of Rs.2735.239 million including foreign aid of Rs. 2706.760 million was allocated for rural development sector. Out of total of allocation, Ministry of Environment, Local Government and Rural Development was allocated Rs. 2550.00 million including Rs.2541.00 million of foreign aid mainly for Japanese Assistant Rural Roads Construction Phase-I and ADB assisted Rural Access Roads Phase-I projects. Interior Division was allocated Rs. 5.263 million for rural roads projects and Narcotics Control Division was provided Rs. 179.970 million including Rs. 165.670 million of foreign aid by the US Government and the UNDCP for projects which aim at eradication of poppy cultivation and

providing alternative means of income to the poppy growers.

3.145 Agency-wise allocation and expected utilization is given in Table below:-

(Rs in Million)

S.I No.	Agency	1998-99			
		Allocation		Utilization	
		Total	F.Aid	Total	F.Aid
1	2	3	4	5	6
1.	M/O Environment Local Govt & Rural Development	2550.00	2541.00	3277.00	3268.00
2	Narcotics Control Division	179.976	165.760	180.33	165.76
3.	Interior Division	5.263	-	3.60	-
Total:-		2735.239	2706.76	3460.93	3433.76

#### Programme for 1999-2000

3.146 During 1999-2000 an amount of Rs. 10537.16 million including Rs. 2715.593 million of foreign aid has been proposed for rural development sector. Out of Rs. 10537.16 million Ministry of Environment, Local Government & Rural Development have been provided Rs. 10420.00 million including Rs 2610.00 million of foreign aid for construction/ rehabilitation of farm-to-market/rural roads. It is also mentioned that out of the total allocation for Ministry of Environment, Local Government and Rural Development Rs. 7500.00 million & Rs.300.00 million have been allocated under the poverty alleviation programme for Rural Roads and Rural Development enterprize project respectively as new initiatives. During 1999-2000 construction of 5400 kms farm-to-market/rural roads under ADB assisted Rural Access Roads project, Japanese Assisted Farm to Market Roads and Farm to Market Roads under poverty allocation project (5000 Kms) will be started. Interior Division have been provided Rs.4.90 million for construction of 3 kilometer of rural roads, Women development and income generating programs in Islamabad Capital Territory. Narcotics Control Division has been provided Rs. 112.264 million including Rs. 105.593 million of foreign aid for Agricultural & Areas Development projects in poppy growing areas of NWFP.

3.147 Agency-wise allocations for the financial year 1999-2000 are given in Table below:

( Million Rupees )

Sl.	Agency	Allocation 1999-2000	
		Total	F.Aid
1.	Ministry of Environment, Local Government & Rural Development	10,420.00	2610.00
	i) On-going Schemes	2620.00	2610.00
	ii) New initiatives	7800.00	
2.	Narcotics Control Division	112.264	105.593
3.	Interior Division	4.900	-
Total:-		10537.164	2715.593

## ENVIRONMENT

3.148 Pakistan is the ninth most populous country in the world. The population pressure will grow because of powerful momentum resulting from the current age structure where it is dominated by adolescents. The population growth will lead to massive demands on physical and social infrastructure. Therefore, this will sharply increase the pressure on the environment and Pakistan's natural resources.

3.149 The implications of future development portray that the environmental concerns should be taken into account, particularly to achieve a sustainable level of management of natural resources and environment, which are already showing signs of stress. While the specific concerns vary widely, the main challenges will be (i) that growth and development over the medium term will depend on Pakistan's key natural resources and ecosystems; (ii) that the growing volume of urban and industrial pollution poses a serious threat to the improvement both in health and human welfare; and (iii) that the increasingly scarce natural resources and growing levels of pollution will lead to issues of the need to share equally the costs and benefits of the stakeholders.

3.150 To meet these challenges, it is important to find the effective way to address them. The integration of environmental issues and concerns into development processes is important. The positive linkages between efficient economic growth and environmental protection need to be explored. Success in implementing this agenda will require strengthening the consensus in favor of environmental protection. It will also require wider participation in development processes and more effective partnership among and between the Government, the private sector, and the public in general.

3.151 Pakistan generates over 50,000 tons of solid waste per day; out of which only 20 to 25 percent are collected and disposed of through improper manner causing serious air, water and land pollution; and health problems. Only 3 percent of the industry treats its wastes according to the National Environmental Quality Standards (NEQS) while the rest discharge their effluents untreated into rivers, lakes and sea. The water borne diseases account for 20 to 30 percent of all hospital cases as about 47 percent of the population is without access to safe drinking water, and nearly 84 percent of rural population is without sanitation facilities.

3.152 Vehicular pollution is one of the largest source of air pollution in our cities. The level of air pollution in our cities is as high as three times the acceptable limits. It has been estimated that average vehicle in Pakistan emits 15-20 times more pollutants than the average vehicle in developed country. Deforestation is another issue of concern. In the agriculture sector, about 30 percent of canal water reaches the crop due to high level of losses in existing canal and water courses network.

3.153 Despite all constraints, there is a marked headway for enactment of a new legislation for the protection and conservation of the environment in the country. The Environmental Protection Act 1997 has been promulgated which provides a framework for implementation of National Conservation Strategy. Work for developing legal mechanisms has been initiated on Establishment of Provincial Sustainable Development Funds; Protection and Conservation of Wildlife, Habitats and Biodiversity; Conservation of Renewable Resources; Formulation of Standards for Ambient Air Quality; Establishment of Environmental Tribunals and appointment of Environmental Magistrates, Initial Environmental Examination (IEE), Environmental Impact Assessment (EIA), and promotion of public education and awareness of environmental issues through mass media. The Act also provides for polluters pay change.

#### Review of 1998-1999

##### i) Financial

3.154 An allocation of Rs 316.647 million with FEC Rs 231.219 million was made in PSDP 1998-99 for Environment Sector. The estimated expenditure was Rs. 302.133 million or 91 percent of the allocation.

##### ii) Physical

3.155 Following were the major sectoral programmes in order to facilitate both the short and long-term environmental achievements:

##### a) Legislation

The Environmental Protection Act 1997 provides basis for developing legal frame work and implementation strategy in the country. The Environmental Impact Assessment Guidelines were drafted for sectoral projects.

**b) Institutional Strengthening**

An amount of Rs. 39.549 million was spent on the institutional strengthening which included hiring of international and local consultants, training (local and international) of officials, workshops/seminars, procurement of office and pollution monitoring equipment, establishment charges, contingencies etc. The World Bank Mission visited different project sites and evaluated the different components of the project.

**c) Mass Awareness**

Public awareness on environmental issues is of fore-most importance to overcome environmental problems in a coordinated and sustained manner. M/o Environment, LG&RD prepared environmental education programmes and projected them through print and electronic media, discussions and seminars. Rs. 4.092 million were utilized during 1998-99. The overall utilization was 80 percent.

**d) Watershed Management**

The watershed management is one the area of activity having manifolds dimensions in forest development, soil erosion, control siltation of dams and community development. The Terbela and Mangla Watershed Management project received sufficient allocation for contribution of ongoing activities project.

**e) Afforestation**

Considering the depleting forest resources, the M/o Environment and the Punjab Provincial Forest Departments, supported afforestation activities under the "Rachna Doab Afforestation Project" envisaging planting and protecting the forests over 30,000 acres area in the Punjab, at an overall cost of Rs. 485.00 million. The World Bank and the Global Environment Facility (GEF) supported "Environmental Protection and Resource Conservation" (EPRC) and "Bio-diversity Conservation" Projects, which were efficiently implemented with overall progress of 50 to 86 percent respectively.

**Programme for 1999-2000**

3.156 An allocation of Rs. 274.867 million has been made for the Environment Sector in the PSDP 1999-2000. The projects at advance stage of completion and foreign funded have been protected so that these could be completed on time. An allocation of Rs. 184.00 million have been made for Terbela Watershed and Mangla Watershed Management projects. The project for preparation of the Master Plan for Urban Waste Water (Municipal and Industrial) treatment facilities in Pakistan has been started at the cost of Rs. 4.462 million. An amount of Rs. 2.00 million has been earmarked in PSDP 1998-99 for this purpose. A allocation of Rs.50.00 million has been made for the Rachna Doab Afforestation Project for contributing to afforestation cover for strategic purposes in the Rachna Doab corridor.

## POVERTY ALLEVIATION

3.157 Poverty has become a major area of concern for the present government. The Social Agenda of the Government undergoes a shift which effectively requires that economic development must benefit all citizens, based on the principles of human rights, equity and social justice enshrined in the Constitution. The main objective of this Social Agenda is based on three core areas: (i) poverty alleviation, which encompass both the eradication of absolute poverty and the reduction of relative poverty, (ii) employment expansion, which covers the expansion of opportunities for productive employment leading to the reduction of unemployment and underemployment; and (iii) social integration which refers to the enabling of all social groups to live together in productive and cooperative harmony.

3.158 The main thrust of the government is to alleviate Poverty through combination of macro economic policies, generating high income growth and strengthening social safety net mechanism.

3.159 During 1998-99, despite of budgetary constraints and strict monetary restriction imposed by international agencies/organizations, government has continued and initiated several important poverty alleviation initiatives including the Social Action Programme, the Pakistan Poverty Alleviation Fund (PPAF), the Rural Support Programmes (RSPs), empowerment of women and strengthening the coverage of the social safety nets. The major elements of the national strategy for poverty eradication include:-

- Provide employment opportunities to counter the recessionary trends of the past and provide employment for poverty reduction, within the budgetary constraints.
- Promote sustainable economic growth to create employment and livelihood opportunities for the categories of the poor described in the earlier portion of this policy and strategy paper by a combination of infrastructure development, taxation reform, financial sector development, and a set of reforms to remove impediments to growth. Restructuring of the manufacturing sector and more importantly, overhauling of the agrarian system is going to remain a priority area for a sustained poverty alleviation effort.
- Sustain growth through people strategies, which promote labor intensive components in high productivity technologies, remove policy hindrances in development of agriculture, promote availability of rural credit and microfinance facilities and provide access to microfinance by the poor. Labor-intensive works with high spin-off effects are going to be critical for reduction of unemployment and underemployment in the short run.
- Expand and improve quality of social services to provide basic needs to the people covering elementary and skill oriented education, primary health care, family welfare, minimum nutritional needs, water supply and sanitation by efficient delivery mechanisms.

Foster rapid community organization for creation of social capital and provide community based sustainable livelihoods, micro-enterprises, and local level infrastructure as instruments for achievement of dual goals of income generation and community organization. This is going to be a critical element of the strategy requiring spread of

support organizations.

- Focus on women as productive partners in development is an important element. All types of interventions will be directed towards diversity for participation of women as a crosscutting theme of the strategy.
- Mobilize government support organizations, NGO and private sector resources to foster partnerships through which the capacity of the poor to help themselves can be enhanced significantly.
- Create Safety Nets for the poor and the vulnerable to prevent distress from short-term interruptions in income stream. A set of non-conventional safety nets will be suited to the conditions being addressed.
- Evolve an integrated approach that will create synergy through the existing interventions.

3.160 During 1999-2000, the strengthening of social sectors will continue with increased budgetary allocations, intra-governmental coordination and collaboration with the other non-governmental organizations and NGOs for attaining targets of social development. Efforts will also be made for provision of social services to vast majority of the people particularly the disadvantaged and vulnerable groups of people to enable them to participate actively in the development process of the country.

## INFORMATION TECHNOLOGY

3.161 To face the challenges of the world, which is rapidly transforming itself into a global village, we need to nurture a computer culture in our society. With the onset of 21<sup>st</sup> century the world is assuming a new order of free international trade. This means that computerization, which is a symbol of efficiency, consistency, reliability and quality control will be the order of the day. Only those nations will be able to survive the cut throat competition, whose Governments and Business are fully equipped to timely and effectively react to the rapid changes emerging on the global scene.

3.162 The importance of Information Technology becomes even more pronounced in view of the domestic issues faced by our country which include corruption, lack of transparency, inefficiency and mismanagement. In Pakistan, very little has yet been done in the area of Information Technology. The present Government realising its need for the first time has laid highest priority to this area.

3.163 A draft of the "National Information Technology Policy" has been finalized by the Steering Committee on IT and it will be launched during 1999-2000. It provides a mechanism for the I.T. propagation on a massive scale both in the public and the private sectors. Work will also be carried out on a number of development projects. The projects namely the establishment of 200 smart schools by the Ministry of Education and the improvement and

computerization of the Judicial System sponsored by the Ministry of Law and Justice are the major initiatives. The other initiatives include the implementation of the Concept of Electronic Government and paperless office in the Planning Commission in the first stage. The concept will be replicated in other Ministries. The National Database Organization (NDO) working under the Ministry of Interior, will be launching the project of Computerization of National Identity Cards on self financing basis. NDO will also launch a National I.T. project for monitoring and implementation of the I.T. Policy in its true perspective. The projects on the and Policy Service Reforms and District Management Service Reforms will also be initiated during 1999-2000.

3.164 The targets for the production of I.T. engineers and technicians, number of internet connections, the connection of towns on internet and the value of software exports for 1999-2000 are set as follows :-

### TARGETS FOR 2000

S.No.	Description	Targets for 1999-2000
1.	Number of I.T. professionals (Annual Output)	600-800
2.	Number of Towns connected with 64 kbps links for internet purposes	30
3.	Number of internet connectors (cummulative).	135,000
4.	Software Export (Annual)	US \$ 35 million

### GOOD GOVERNANCE

#### ACHIEVEMENTS DURING 1998-99

##### Good Governance Group

3.165 The Good Governance Group has been set up by the Government under the chairmanship of Mr. Ahsan Iqbal, Deputy Chairman/Chief Coordinator Pakistan-2010 Programme for the development of reforms agenda for providing good governance. The first step in this direction is the creation of basic awareness of key issues among the stakeholders and development of common language of discourse among them. The G-3 is setting the stage for meaningful discourse and debate through conducting seminars, workshops and conferences for

the stakeholders. The areas selected for review include Civil Service, Media, Local Government, Decentralisation, Police, Administrative Issues of Large Cities, Taxation System, Education, Medical Care, Tourism, Sports and Science & Technology.

3.166 Bad governance by previous regimes has resulted in the breakdown of the services delivery system. The public service id not have an adequate responsive mechanism to cater to the nees of the society. The government wishes to make the public sector performance oriented, efficient, effective and responsive to public needs. It also wishes to build a collaborative mechanism of governance between stakeholders and citizens. The Government shall aim at creating a public service that not only fulfills the demands of citizens but is also capable of meeting the requireaments of the coming century. A wide range of reforms and re-engineering of the public administration system is required. The Government shall carry out the taks with great earnest. Emphasis shall be on improving standing mechanisms and finding more effective ways of enforcing these mechanisms.

#### **Institutional Reforms Group**

3.167 A UNDP aided project viz IRG was initiated in 1994 for the development of institutions to strengthen their capacity for the effective implementation of development schemes. A series of conferences were held to create awareness amongst the stakeholder. The said group was renamed as Good Governance Group in 1998.

#### **Local Dialogue Group**

3.168 The LDG was UNDP aided project which was initiated by the Economic Affairs Division for the development of reforms package relating to decentralisation and evolution. Four pilot districts one in each province were selected for introducing a decentralised system at the local level. A national conference was held in March 1998 and recommendations were formulated for strengthening the Local Governments. For year 1999 the theme of the LDG was "Poverty Alleviation". A series of conferences were held at the Provincial and National level on the theme.

#### **Task Force on Administrative Reforms**

3.169 The Task Force on Administrative Reforms was set up on 1997 under the Chairmanship of Mr. Ahsan Iqbal, Chief Coordinator Pakistan 2010 programme, which identified seven areas for improvement. These areas are Performance Based Organisations, Compensation and Incentives, Depoliticization, Modernisation and Corporatization, Training and Change process, Devolution, Decentralisation and Local government and Administration Issues of Managing Large Cities.

#### **The Commission for Administration Restructuring**

3.170 The Commission for Administrative Restructuring was set up on 1997 under the Chairmanship of Syed Fakhr-e-Imam MNA, which is reviewing the public sector organisations for rightsizing through Professionalization, Modernisation and Corporation.

## **Public Private Partnership**

3.171 In the past, the Government was directly intervening to expedite socio-economic development agenda of the country. The new paradigm called for fundamental change institutionalising private sector and civil society involvement in the planning and implementation process. The initiative taken in 1998 included the Champions of Reform Programme. The concept aimed at making a group of qualified and experienced volunteers, partners for implementing the Pakistan 2010 Programme. To make the planning process participatory, participation of private sector in finalisation of 9th five year plan was encouraged.

3.172 The Government has encouraged the NGOs and provided financial support to them, especially those working to provide social services and in alleviation of poverty. The Government has recognised local government as the third tier of the administration and provinces were encouraged to try out various policy innovations at the local government and district levels.

### **Provincial Government Initiatives:**

3.173 The Government of Sindh reared up its efforts for revitalising the functioning of the Provincial departments, attached departments and autonomous bodies. Task force were set up in the sector of health, education, agriculture and municipal services. The Punjab Tripartite collaborative efforts between bureaucracy, parliamentarians and community based organisations have liberalised decision making. For community participation several management committees were set up.

3.174 The NWFP institutional Reforms Programme is one of the major provincial efforts to ensure an efficient service delivery to common masses. The district development management project is one of the significant programme activities, that aims at enhancing development management capacity at the local level. Administrative and Management functions have been decentralised to lower level in the sectors of Education and Health. Computer aided MIS have been set up in the health & education departments.

3.175 The Government of Balochistan has also taken initiatives for the improvement of Personnel Management and Performance improvement of the Civil Service. An extensive cost reduction and revenue generation exercise has been carried out.

### **Pakistan 2010 Programme**

3.176 The Pakistan 2010 Programme was launched by the Prime Minister on the 10th February 1998. The Programme aims to realize the vision. Its immediate goals are restoring governance, doubling per capita income, and ensuring equitable access to economic opportunity and quality social services. Twenty one major areas of interests have been focussed and cross cutting factor in all these areas is good governance.

## Challenges

### i. Globalisation

The first major challenge is the globalisation of the world economy and the accompanied shift. The trend is occurring partly because of the reduction in communication and transport costs in recent decades. Globalisation has increased capital flows and trade world wide. Rapid development of telecommunications and global trade has created a global economy. Consider some developments; The Internet will both double its numbers of users and increase its number of uses. The prosperity of Pakistan and, ultimately, the success of the country in an expanding global market are dependent upon the performance of its Government. To compete, Pakistan needs to harness technological scientific advances to best effect in commerce and industry and in service delivery, within both private and public sectors.

### ii. Knowledge Economy

In the new knowledge economy, it is information that is replacing financial and physical capital as the primary competitive advantage in business. The primary characteristics of the knowledge economy are: The downsizing of major corporations in both services and manufacturing, accompanied by an ascent in entrepreneurship, a changing population profile caused by falling birth rates and an aging population; a shift in the economic centres of nations, from the location of capital, equipment and raw materials to the location of centres of knowledge and information; changing labour force; more women participation; the automation of manufacturing activities.

### iii. Information Revolution

The personal computer has joined the ranks of other tools - most notably video, TV and the telephone - to create a vast and growing global network that people can use to converse, argue, teach, learn, hold meetings, buy or sell things, send and receive information of virtually all kinds.

Government bureaucracies are being transformed into 'cyberocracies', with information travelling across conventional boundaries, after becoming widely available inside and outside official channels.

### iv. Citizens' Participation Requirements

Better accountability is commonly seen throughout the world as the key to better governance. New approaches to accountability and development have gained a high profile in the last decade or so. Without public backing of government initiatives, the chances of success are slim. Many reform efforts in the past failed because there was no institutional home for reformers. The public must be involved as a significant stakeholder in the whole reform process. For example, in the case of Pakistan, there were several national reform efforts, some of which were overlapping at best, and conflicting at worst. Public perception increasingly became negative. Without

institutionalisation and accountability, haphazard efforts were bound to fail.

v. **Re-inventing Government**

The current era is characterised by high rate of change. Government have to keep pace with the great sea of changes enveloping them. Basically, re-inventing government refers to restructuring public sector management system to be results and performance - oriented. The concept refers to re-structuring organisational sizes, purposes, incentive systems, accountability procedures, and authority distribution patterns. Even organisational culture is changed.

## CHAPTER -4

### SOCIAL ACTION PROGRAMME

The SAP covers primary/elementary (middle and technical) including non-formal education, primary health care, rural water supply and sanitation and family planning programmes. The programme envisaged 79 percent funding through government contribution and 21 percent by the foreign donors. The SAP programme emphasizes the resolution of key implementation issues by an overall strengthening of institutional capacity to better utilize increased funds by restructuring social sector priorities towards delivery of primary level services to the beneficiary communities. The programme has helped to: (a) improve programme design to expand access to basic services for poor particularly for females and to improve service quality, (b) strengthen implementation capacity of social service programmes, (c) increase the real level of expenditure (both development and recurrent) by the government in the social sectors, particularly for key non-salary inputs, and (d) generate bureaucratic support and political will to reform social sectors for better delivery of services to the target groups. The overall emphasis of programme was to improve socio-economic conditions of the peoples of Pakistan through improvement in level of human resources development.

#### REVIEW OF SAP 1998-99

4.2 During 1998-99, an allocation of Rs 64.608 billion was earmarked for SAP - Rs 20.939 billion for development expenditure and Rs 43.043 billion for current budget. The development expenditure earmarked to provinces was Rs 14.944 billion while the balance Rs.5.995 billion to federal areas and concerned ministries. All these funds are expected to be spent, as budgetary allocations made under SAP are protected from economy cuts and are non-fungible.

4.3 **Elementary Education:** Official policy of co-education in primary education and up-gradation of a number of schools witnessed some positive impacts on enrolment and school participation rates especially for girls. The participation rate increased from 75.25 percent in 1997-98 to 76.84 percent in 1998-99. The female enrollment rate increased from 60.5 percent to 62.03 percent for the same period. The demand of education put pressure on teacher student ratio which increased from 32 in 1997-98 to 39 in 1998-99. A number of female teachers were appointed and provided necessary training. The relaxation in qualifications and age requirements and posting of female teachers near their homes encouraged female employment and helped in reducing gender gaps. In all the Provinces Education Foundations (EFs) provided assistance to NGOs and private sector for establishment of non-formal schools and improving capacity and quality of private schools. To involve community, Parents Teacher Associations (PTAs), and School Management Committee (SMCs) were established and some of schools were given in the supervision of local community organizations. The PTAs and SMCs were given financial and supervisory powers for management of schools and facilitating minor repairs and schools supports. The issues relating to staff absenteeism and bogus appointments were monitored and special task forces established for checking the records and spots, as a result a number of non-functional schools are functioning.

4.4 **Primary Health Care (PHC):** The non-salary budget under PHC was raised to improve quality of services. Issues relating to staff absenteeism and non-availability of drugs were resolved by providing incentives and decentralizing administrative and financial powers down to Basic Health Units (BHUs) level. For formulation of integrated health policy and making health services more effective and efficient, Health Management Information System (HMIS) was developed, and on the basis of information collected through HMIS more effective and efficient policies were designed for ensuring benefits for paramedic staff and better service delivery to the communities. The new constructions in the health sector remained limited. However, the focus remained on the provision of quality health services and consolidation of available health and family planning outlets/facilities for delivery of quality health and family planning services. The law has also been enforced to eliminate treatment practice by ghost on non-qualified medical practitioners. The political support for proper functions of system has been mobilized and chief executives themselves are now conducting surprise visits of the facilities. The medical staff has been recruited on contract basis in order to match the demand and maintaining quality of service.

4.5 **Rural Water Supply and Sanitation (RWSS):** Uniform policies for RWSS were formulated at national level and communities were made responsible for Operations and Maintenance (O&M) costs of water supply and sanitation system. As per new policy, water tariff will be collected by "village water users committee" and would be used for improvement of RWSS scheme for which water and sanitation tariff rates in all provinces were increased. In early 1997 all the provinces handed over a number of completed RWSS schemes to the communities on experimental basis and there were positive indications of betterment in the RWSS system. A review of 42 selected schemes in all four provinces were carried out by NRSP, UNDP, WB and MSU. The results of this review has revealed that due to infancy of system there are serious deficiencies in the system causing failure of few schemes. The proposal was prepared by various provincial governments which included community motivation/education programme, rehabilitation programme and system development to ensure continuous involvement of communities in RWSS scheme with professional and expertise support. In this regard community relation units in PHEDs and LG&RDDs have been established.

4.6 **Population Planning:** The un-reached rural areas were covered through Village Based Family Planning Workers (VBFPWs). Recruitment, training and deployment of Lady Health Workers (LHWs) helped to ensure delivery of Family Welfare Services at door-steps of the rural people. There were positive and progressive results of LHWs in provision of the Family Welfare Services. The recent survey of social sectors done by the Federal Bureau of Statistics confirmed this impact. Information, Education and Communication (IEC) strategy now was focused on both male and female motivation. To enhance demand of family welfare services, T.V, radio and the print media were involved to motivate target groups in a scientific way. As a result the population growth decreased to 2.33 percent, fertility rate decreased to 4.8 percent and CPR increased to about 30 percent.

4.7 **Participatory Development Programme (PDP):** In a search for new and innovative approaches, a pilot project outside PSDP namely Participatory Development Programme (PDP) was launched with the primary objective to encourage community involvement in the institutional options available for promoting SAP related activities. The PDP

continued to assist community organizations, NGOs, private institutions and the foundations (Education, Health etc) to explore strong linkage with communities in expanding quality and availability of social services.

4.8 Financial assistance of Rs 170.754 million was provided to 28 NGO's sponsored projects after completion of scrutiny and site verification from over three hundred applicants. Under these projects primary schools, basic health units, population welfare facilities and water supply schemes were covered. A distinctive feature of these projects was the creation and strengthening of community based organizations to implement and manage the projects with emphasis on training and up-gradation of the skills of the people. PDP assistance to these projects was for two years and, thereafter, the sponsors and the community were expected to sustain the activity from their own resources. The programme has been budgeted through normal PSDP and responsibilities provincialized during the financial year 1998-99. The process of selection of new NGOs is underway. The NGOs working in the Federal Areas of AJK, FATA, FANA and ICT will be administered by the Federal SAP Secretariat and NGOs has been selected with assistance of regional PDP Committee already formed in each area. The MOU will be signed with selected NGOs after approval of PC-I and clearance of NGOs by the World Bank.

#### **PROGRAMME DURING 1999-2000**

4.9 In 1999-2000, the focus of SAP will be on five aspects (i) to integrate social sector policies for improving the delivery of social sectors, (ii) to mitigate the institutional rigidity and overcome procedural inadequacies that impede efficient execution of SAP, (iii) consolidation and expansion of services/programmes launched and benefits achieved during SAPP-I, (iv) supplementing policies based on the results of Health Management Information System (HIMS), Education Management Information System (EMIS) and Geographical Information System (GIS), and (v) encouraging community and private sector participation in supplementing governments efforts in service delivery. These systems will be consolidated at national level for proper feedback and taking policy decisions.

4.10 Salient features of SAP for the fiscal year 1999-2000 are articulated as under:

**Elementary Education:** The quality of learning will be improved by providing better qualified teachers, making them responsible to properly perform duties quality textbooks and school aid materials. Increasing the availability of female teachers will remain a central concern due to residential and logistic problems and non-availability of local qualified girls. Access to primary, middle and technical schooling and teacher training will be increased, especially for girls. Transparency and accountability in management will be strengthened through decentralization and revamping the procedures. Service delivery will be streamlined by ensuring greater involvement of teachers, parents, NGOs and private sector. The planning capacity will be improved, and monitoring and supervision will be strengthened to institute accountability at all levels. The overall goal of these reforms is to attain objective of universal basic education.

**Primary Health Care:** A basic cost-effective package of essential health services and nutrition activities will be clearly defined and implemented in line with new health policy. The Basic Health Care delivery system will be strengthened, and logistics for essential medicines and other supplies at service delivery points will be improved. Measures will be initiated for providing quality family planning services through all primary health outlets and tehsil Headquarter Hospitals. The private sector will be encouraged to participate in service delivery, especially the curative services in urban areas. The service quality also will be improved by ensuring elimination and discouraging non-qualified service providers. The overall aim of these reforms is to reduce mortality and morbidity, eliminate malnutrition particularly in infant and mothers and increase quality of health services. The health staff i.e. Doctors, Nurses and paramedics will be recruited in accordance to needs of the system. The coordinator between health and population welfare departments will further be tightened and more health outlets will be designated to provide family planning services. In addition to above in order to enhance reproductive health services (RHSs) the government has introduced RHS package aiming at following:

- a) Comprehensive family planning services for males and females, for enhancement of male involvement in adoption of family planning measures.
- b) Promotion of safe motherhood through maternal health care and pre/post abortion care.
- c) Child health care (both new born and less than 5 years).
- d) Management of reproductive health related problems of adolescents, infertility and other problems related to women, including detection of breast and cervical cancers.
- e) Prevention and management of RTIs/STDs and HIV/AIDS.

**Population Planning:** The quality and access to population planning services will be improved, especially in rural areas. A stronger technical and logistical cooperation will be forged between the Ministry of Population Welfare and Health Departments. IEC programmes and other activities will be devised to increase the demand for family planning, and to improve female education and children's survival prospects. The innovative and incentive oriented schemes will be launched to implement the programme. The overall goal is to slow down the population growth by promoting idea of small family norms.

**Water Supply and Sanitation:** The beneficiaries will be made responsible for selecting the type of system/service levels, so that they are able to contribute cost of operation and maintenance of schemes according to their ability to pay. Partnerships will be established and strengthened between the beneficiaries and the Government in scheme implementation, and capacity of beneficiaries will be strengthened for better management

of services. A strategy will be introduced for sustainable service delivery in urban slums. The overall goal is to promote maximum population access to drinking water supply and sanitation services in a sustainable manner. Following four point policy will be adopted:

- i) Water supply schemes would be conceptualized by communities who would contribute a part of the capital cost and bear the O&M of the schemes on completion.
- ii) The communities would be involved in initial planning, design and choice of technology they can afford for sustaining the scheme.
- iii) Before handing over the scheme, the Village Water User Committees (VWUCs) would be formed and people responsible provided necessary training to run the scheme and collect water tariffs for meeting O&M costs of the project. Furthermore, the rules of business will be framed and properly introduced to communities.
- iv) The working of the VWUCs and communities will be monitored and community activities promoted for playing their role as the driving force.

#### **Participatory Development Programme (PDP)**

4.11 The PDP is an integral part of SAPP-II embodied in SAP's sectoral strategies for effective involvement of private sector non-profit organization and stakeholders in the process of social sector development. The broad objectives of SAP are to improve access, quality delivery and sustainability of social services to women, children (specially girls), poor and other disadvantage sections of the society. The partnership between NGOs, CBOs and private sector will be forged by providing financial and technical support. The particular project proposals will be invited twice a year and scrutinized with the assistance of PDP committees formed for the purpose in each province and area. Following tasks will be taken up during the year 1999-2000.

- (a) The system will further be streamlined for smooth functioning of PDP.
- (b) The PDP committees and Federal and Provincial SAP Secretariat's PDP staff will be provided opportunities of specific training for handling PDP cases.
- (c) The disbursement arrangements and financial and physical monitoring system for PDP will be established and.
- (d) Third party monitoring arrangements will be made in order to facilitate PDP NGO monitoring and disbursement of expenditures from donors.

## FINANCIAL ALLOCATIONS

4.12 During 1999-2000: An allocation of Rs 88.852 billion (38.4 percent higher than 1998-99) has been projected for SAP, of which Rs 29.177 billion are expected to be provided in development budget and Rs 59.675 billion in recurrent budget. Rs 7.273 billion or 12.2 percent of recurrent budget has been earmarked for non-salary budget. These funds are to be utilized on SAP tied development projects sponsored by the Federal Ministries of Education, Health and Population Welfare, Provincial Governments and Area/Agency administrations. The amount would be spent on development and provision of primary/middle level education, non-formal, technical and Teacher Training, primary health care, nutrition, family planning, rural water supply and sanitation facilities. The table 4.1 provides utilization for 1998-99 and outlays for 1999-2000 and Annexure 4.1 provides sector wise, details of financial utilization and outlays for the fiscal year 1998-99 and 1999-2000 respectively.

Table-4.1

### SAP TIED DEVELOPMENT AND RECURRENT EXPENDITURE

(Billion Rs)

Agency	Expected Utilization 98-99	Outlays 99-2000	% Increase Over 98-99
<b>A. DEVELOPMENT:</b>	<b>20.550</b>	<b>29.177</b>	<b>42.8</b>
(a) Provinces	14.944	19.823	32.6
(b) F.Areas/Ministries	5.606	9.354	66.9
<b>B. RECURRENT:</b>	<b>43.669</b>	<b>59.675</b>	<b>36.6</b>
(a) Provinces	41.043	56.303	37.2
(b) F.Areas/Ministries	2.626	3.372	28.4
<b>TOTAL (A + B)</b>	<b>64.219</b>	<b>88.852</b>	<b>38.4</b>
(a) Provinces	55.987	76.126	36.0
(b) F.Areas/Ministries	8.232	12.726	54.6

SOURCE: Provincial Governments, Area Administrations and Federal Ministries of Education, Health and Population Welfare.

4.13 The SAP has a targeted focus on improving the quality of social services. Some other policy areas receiving greater and sustained attention include improving service delivery through decentralization of management at local level, minimizing gender biases in the service design and delivery, improving accessibility of services for the poor and involving community in planning, designing and management of the projects through increased participation of the private sector and NGOs in community mobilization efforts and in actual service delivery. While enforcing these reforms, the overall focus will be on cost effectiveness and sustainability of social services delivery.

# ANNEXURES

(65—66)

**OUTPUT OF AGRICULTURE**

ITEMS	UNIT	1997-98	1998-99		1999-2000	Percent Change	
			Targets	Prov	Targets	1998-99	1999-2000
						(7)	(8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>I. KHARIF CROPS</b>							
Rice	(000 MT)	4333.0	4394.0	4673.8	4665.0	7.9	4.1
Basmati	(000 MT)	1439.3	1486.0	1684.3	1763.0	17.0	4.7
Others	(000 MT)	2893.7	2908.0	2989.5	3102.0	3.3	3.8
Bajra	(000 MT)	211.3	176.0	213.1	215.0	0.9	0.9
Maize	(000 MT)	1251.2	1501.3	1302.5	1501.3	4.1	15.3
Jawar	(000 MT)	231.3	266.0	237.5	235.0	2.7	-1.1
Sugarcane	(000 MT)	53104.2	51210.0	55190.7	55700.0	3.9	0.9
Cotton	(Min Bales)	9.2	10.5	8.8	9.7	-4.3	10.4
<b>II. RABI CROPS</b>							
Wheat	(000 MT)	18694.0	19500.0	18054	19506.0	-3.4	8.0
Barley	(000 MT)	174.1	165.0	172.3	180.0	-1.0	4.5
Gram	(000 MT)	767.1	800.0	699.5	772.0	-8.8	10.4
Rapessed & Must	(000 MT)	291.5	305.0	281.7	300.0	-3.4	6.5
Tabacco	(000 MT)	98.6	100.0	99.8	100.0	1.2	0.2
<b>III. LIVESTOCK</b>							
Milk	(000 MT)	24215.0	23185.0	24876.0	27984.0	2.7	12.5
Meat	(000 MT)	1841.0	2743.0	1893.0	2023.0	2.8	6.9
Wool	(000 MT)	38.5	58.6	38.7	40.4	0.6	4.4
Hides	(Min No)	7.3	6.8	7.5	7.8	2.3	4.7
Skins	(000 No)	35340.0	45324.0	36280.0	37500.0	2.6	3.4

**INDUSTRIAL AND MINERAL PRODUCTION**

ITEMS	UNIT	1997-98	1998-99		1999-2000	Percent Change	
			Targets	Prov.		Targets	1998-99
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>A. INDUSTRIAL PRODUCTION</b>							
<b>(Large Scale)</b>							
Sugar	(000 MT)	3,554.8	3,500.0	3,522.8	3,452.4	-0.9	-2.0
Jute Goods	(000 MT)	92.0	98.0	84.8	87.4	-7.8	3.1
Cement	(000 MT)	9,364.0	10,465.0	9,186.1	10,105.0	-1.9	10.0
Paper & Board	(000 MT)	344.8	347.0	346.2	352.1	0.4	1.7
Fertilizer (N)	(000 MT)	1,660.4	1,900.0	1,740.1	1,804.4	4.8	3.7
Soda Ash	(000 MT)	239.3	246.0	250.8	259.8	4.8	3.6
Caustic Soda	(000 MT)	115.7	121.0	122.2	125.2	5.6	2.5
Billets	(000 MT)	348.1	380.0	264.9	271.0	-23.9	2.3
H & CR Sheets	(000 MT)	422.7	700.0	394.8	408.6	-6.6	3.5
Cotton Yarn	(000 MT)	1,533.1	1,634.0	1,536.2	1,613.0	0.2	5.0
Cotton Cloth	(Min Sq M)	339.9	360.0	374.6	389.6	10.2	4.0
Cigarettes	(Bin Nos.)	48.2	51.0	51.5	54.1	6.9	5.0
Motor Tyres	(000 Nos.)	441.0	500.0	441.0	494.0	0.0	12.0
Trucks/Buses	(000 Nos.)	2.3	2.5	2.1	2.3	-9.7	10.7
LCVs/Cars/Vehicles	(000 Nos.)	46.0	51.0	48.4	57.6	5.2	19.0
Bicycles	(000 Nos.)	452.1	460.0	508.2	543.7	12.4	7.0
Tractors	(000 Nos.)	14.0	15.0	23.5	29.4	68.1	25.0
Sewing Machines	(000 Nos.)	36.4	39.0	30.1	32.5	-17.2	7.8
Air Conditioners	(000 Nos.)	2.6	3.0	1.5	1.8	-42.9	21.2
Electric Motors	(000 Nos.)	27.3	28.0	18.0	20.8	-33.9	15.3
Cotton Ginning	(Mln Bales)	9.2	10.5	8.8	9.7	-4.2	10.2
Petroleum Products	(Mln Ltr)	7,463.0	7,700.0	7,746.6	7,979.0	3.8	3.0
<b>B. MINERAL PRODUCTION</b>							
Crude Oil	(BPD)	56,251.0	61,904.0	55,463.5	61,236.0	-1.4	10.4
Natural Gas	(MMCFD)	1,916.5	2,372.0	1,947.6	2,404.0	1.6	23.4
Coal	(000 MT)	3,014.7	3,780.0	3,480.2	5,620.0	15.4	61.5
Limestone	(000 MT)	10,044.2	9,723.0	9,863.4	10,947.0	-1.8	11.0
Rock salt	(000 MT)	974.3	995.0	1,348.8	1,495.0	38.4	10.8

**GROSS DOMESTIC PRODUCT**  
(AT 1980-81 MILLION RS)

					% CHANGE		
	1997-98	1998-99		1999-2000	1998-99		1999-2000
	(P)	(T)	(P)	(P)	(T)	(P)	(T)
<b>I COMMODITY SECTORS</b>	<b>317516</b>	<b>331704</b>	<b>324321</b>	<b>340237</b>	<b>6.4</b>	<b>2.1</b>	<b>4.9</b>
<b>A. AGRICULTURE</b>	<b>154708</b>	<b>157445</b>	<b>155257</b>	<b>161908</b>	<b>5.4</b>	<b>0.4</b>	<b>4.3</b>
Major crops	64438	67733	64068	67526	5.5	-0.8	5.4
Minor crops	27773	29215	27872	29126	5.0	0.4	4.5
Livestocks	56050	53885	56890	58597	5.4	1.5	3.0
Fishing	5541	5837	5744	5874	6.4	3.7	4.0
Forestry	906	775	685	685	4.9	-24.4	0.0
<b>B. INDUSTRY</b>	<b>162808</b>	<b>174259</b>	<b>169064</b>	<b>178328</b>	<b>7.2</b>	<b>3.8</b>	<b>5.5</b>
Mining & quarrying	2725	2752	2848	2975	5.8	4.5	4.5
<b>Manufacturing</b>	<b>112484</b>	<b>119437</b>	<b>117768</b>	<b>124595</b>	<b>7.2</b>	<b>4.7</b>	<b>5.8</b>
Large Scale	73102	76747	75076	78319	6.5	2.7	4.3
Small Scale	39382	42690	42690	46276	8.4	8.4	8.4
Construction	22463	23784	22845	23664	5.5	0.8	4.5
Electricity & gas distribution	25136	28286	25805	27095	9.0	2.7	5.0
<b>II SERVICES SECTORS</b>	<b>295942</b>	<b>312303</b>	<b>308196</b>	<b>323934</b>	<b>5.7</b>	<b>4.1</b>	<b>5.1</b>
Transport & communication	61454	63384	64719	68137	5.8	5.3	5.3
Trade	95862	102303	97092	101705	6.2	1.3	4.8
Banking & insurance	13218	14604	14459	15182	6.6	9.4	5.0
Ownership of dwelling	34842	36682	36682	38619	5.3	5.3	5.3
Public Administration & defence	37459	38753	38667	40020	3.5	3.2	3.5
Services (Other)	53109	56577	56577	60271	6.5	6.5	6.5
<b>GDP (fc)</b>	<b>613458</b>	<b>644007</b>	<b>632517</b>	<b>664171</b>	<b>6.0</b>	<b>3.1</b>	<b>5.0</b>

T: Target

R: Revised

P: Provisional

MACRO-ECONOMIC FRAMEWORK  
(Current Billion Rs)

	1997-98	1998-99		1999-2000	Percentage change		
		(R)	(T)	(P)	(T)	1998-99	1999-2000
						(T)	(P)
GDP (fc)	2540.1	2899.4	2785.0	3097.0	14.5	9.6	11.2
Indirect Taxes (Net)	196.8	258.9	240.7	276.6	14.5	22.3	15.8
GDP (MP)	2736.9	3158.4	3025.7	3375.6	14.5	10.6	11.6
Net Factor Income from abroad	-36.3	-56.7	-47.7	-49.3	-37.6	-31.5	-3.3
GNP (MP)	2700.6	3101.7	2978.0	3326.3	14.1	10.3	11.7
External Resource Inflow (Net)	83.0	89.6	112.8	92.1	-0.9	36.0	-18.4
<b>Total Resources/Uses</b>	<b>2783.6</b>	<b>3191.3</b>	<b>3090.8</b>	<b>3418.4</b>	<b>13.6</b>	<b>11.0</b>	<b>10.6</b>
Total Consumption	2315.6	2602.1	2643.9	2810.7	11.6	14.2	6.3
Total Investment	468.0	589.2	446.8	607.9	23.7	-4.5	36.0
Fixed Investment	396.6	538.6	400.5	556.2	33.0	1.0	38.9
Public	134.0	190.8	150.9	205.8	18.4	12.6	36.4
Private	262.8	347.8	249.6	350.4	42.6	-5.0	40.4
Changes in Stocks	71.4	50.5	46.4	51.6	-	-	-
National Savings	385.0	499.6	334.0	515.8	18.4	-13.2	54.4
<b>As % of GDP</b>							
Total Investment	17.1	18.7	14.8	18.0	-	-	-
Fixed Investment	14.5	17.1	13.2	16.5	-	-	-
Public	4.9	6.0	5.0	6.1	-	-	-
Private	9.6	11.0	8.2	10.4	-	-	-
External Resources	3.0	2.8	3.7	2.7	-	-	-
National Savings	14.1	15.8	11.0	15.3	-	-	-
Inflation rate % (GDP Deflator)	8.0	8.0	6.3	6.0	-	-	-

## Annexure-I.5

## Public Finance: Consolidated Budget

(Current Billion Rupees)

	1997-98 Revised Budget Estimates	1998-99 Budget Estimates	% Change
<b>Government Expenditure</b>	599.6	666.1	11.1
- Current	510.5	555.5	8.8
- Development	89.1	110.6	24.1
<b>Government Revenue</b>	452.1	522.9	15.6
- Tax	363.0	418.8	15.4
- Non-tax	89.2	104.1	16.7
<b>Overall Fiscal Deficit</b>	147.4	143.2	-2.8
<b>Financing:</b>			
- Bank Borrowing	30.7	39.2	27.7
- Non-Bank Borrowing	81.6	89.3	9.4
- External Borrowing (net)	35.1	14.7	-58.1
<b>Memorandum Items.</b>			
<b>As % of GDP</b>			
<b>Government Expenditure</b>	21.6	21.4	
- Current	18.4	17.9	
- Development	3.2	3.5	
<b>Government Revenue</b>	16.3	16.8	
- Tax	13.1	13.5	
- Non-tax	3.2	3.3	
<b>Overall Fiscal Deficit</b>	5.3	4.6	
<b>Financing:</b>			
- Bank Borrowing	1.1	1.2	
- Non-Bank Borrowing	2.9	2.9	
- External Borrowing (net)	1.3	0.5	

\* Difference in total is because of rounding.

**Credit Plan for 1998-99 and Monetary Impact since July 1, to March 27, 1998-99 and  
1997-98 (Billion Rupees)**

	CREDIT PLAN 1998-99		MONETARY IMPACT	
	ORIGINAL	REVISED	01-07-1998 to 27-03-1999 <sup>1</sup>	01-07-1997 to 28-03-1998
<b>I. Government Sector (Net)</b>	<b>56.0</b>	<b>-48.1</b>	<b>-29.5</b>	<b>28.8</b>
a. Budgetary Support (Net)	43.0	-58.1	-11.8	41.1
b. Gross Budgetary Borrowing			57.6	
c. Special Account Debt Repayment and Saudi Oil Facility-Counterpart Rupee A/C			-69.4	
d. Commodity Operations	10.0	10.0	-14.6	-10.5
e. Zakat Fund/Privatization Proceeds etc.	0.0	0.0	-3.3	-2.3
f. Others	3.0	0.0	0.2	0.3
<b>II. Non-Government Sector</b>	<b>108.0</b>	<b>102.1</b>	<b>53.3</b>	<b>76.7</b>
a. WAPDA, KESC, OGDC, SSGC etc.		20.0	-8.3	-5.1
b. Net Credit to Private Sector and PSCES	108.0	82.1	61.6	81.7
PSCES	9.5		-3.7	6.9
Private Sector	98.5		46.3	69.0
Other Financial Institution			18.9	5.8
<b>III Other Items (Net)</b>	<b>0.0</b>	<b>29.4</b>	<b>-7.1</b>	<b>24.3</b>
<b>IV. Domestic Credit Expansion</b>	<b>164.0</b>	<b>83.4</b>	<b>16.6</b>	<b>129.8</b>
	(12.80%)	(6.51%)	(1.29%)	(11.65%)
<b>V. Foreign Assets (Net)</b>	<b>0.0</b>	<b>9.9</b>	<b>23.3</b>	<b>20.0</b>
<b>VI. Monetary Assets (M2)</b>	<b>164.0</b>	<b>93.3</b>	<b>39.9</b>	<b>149.8</b>
	(13.64%)	(7.76%)	(3.32%)	(14.22%)

<sup>1</sup>Provisional.

\*Difference in total due to rounding.

**EXPORTS**  
(Values in Million \$)

Commodities	1997-98	1998-99		1999-00	% Change	
	Actuals	Plan Target	Estimates	Projections	1998-99	1999-00
<b>I. Primary Commodities</b>	<b>688</b>	<b>875</b>	<b>823</b>	<b>733</b>	<b>-24.0</b>	<b>40.2</b>
Raw Cotton	126	278	3	110	-97.6	3566.7
Volume (Mln Bales)	0.52	1.30	0.01	0.50	-97.4	3659.4
Price (Cents/Lb)	64.5	57.0	60.2	58.7	-6.7	-2.5
Total Rice	562	597	520	623	-7.5	19.8
Basmati Rice	253	265	261	280	3.2	7.3
Volume (000 MT)	552	568	561	600	1.6	7.0
Price (\$/MT)	458	467	465	467	1.5	0.3
Other Rice	309	332	259	343	-16.2	32.4
Volume (000 MT)	1539	1582	1233	1625	-19.9	31.8
Price (\$/MT)	201	210	210	211	4.6	0.5
<b>II. Cotton based Manufactures</b>	<b>4866</b>	<b>4619</b>	<b>4421</b>	<b>4980</b>	<b>-9.1</b>	<b>12.6</b>
Yarn	1160	1055	932	1026	-19.7	10.1
Volume (Mln Kgs)	462	439	414	450	-10.4	8.7
Price (\$/Kg)	2.51	2.40	2.25	2.28	-10.4	1.3
Cloth	1250	1113	1063	1138	-15.0	7.1
Volume (Mln Sq. Meter)	1272	1170	1250	1294	-1.7	3.5
Price (\$/Sq Meter)	0.98	0.95	0.85	0.88	-13.3	3.5
Readymade Garments	746	664	635	755	-14.9	18.9
Tents and Canvas	58	46	34	50	-41.4	47.1
Hosiery	697	739	725	876	4.0	20.8
Made ups (incl.towels)	955	1002	1032	1135	8.1	10.0
<b>III. Other Traditionals</b>	<b>1198</b>	<b>979</b>	<b>903</b>	<b>1039</b>	<b>-24.6</b>	<b>15.0</b>
Fish and Fish Preparations	172	137	122	130	-29.1	6.6
Leather	208	166	166	173	-20.2	4.2
Carpets	200	200	200	208	0.1	3.9
Synthetic Textiles	618	476	415	528	-32.8	27.2
<b>IV. All Others</b>	<b>1876</b>	<b>2007</b>	<b>1933</b>	<b>2455</b>	<b>3.0</b>	<b>27.0</b>
<b>Total (Gross)</b>	<b>8628</b>	<b>8480</b>	<b>7780</b>	<b>9207</b>	<b>-9.8</b>	<b>18.3</b>
<b>Total (fob)</b>	<b>8434</b>	<b>8299</b>	<b>7605</b>	<b>9000</b>	<b>-9.8</b>	<b>18.3</b>

**IMPORTS**  
(Values in Million \$)

Commodities	1997-98	1998-99		1999-00	% Change	
	Actuals	Plan Target	Estimates	Projections	1998-99	1999-00
<b>Wheat</b>	<b>709</b>	<b>249</b>	<b>373</b>	<b>265</b>		
Volume (Million MT)	4.10	2.00	3.00	2.00	-47.4	-29.0
Price (\$/MT)	172.9	124.5	124.3	132.5	-26.8	-33.3
					-28.1	6.6
<b>Tea</b>	<b>227</b>	<b>233</b>	<b>232</b>	<b>247</b>		
Volume (Million Kg)	99	100	125	130	2.2	6.5
Price (\$/Kg)	2.29	2.33	1.86	1.90	26.3	4.0
					-19.1	2.4
<b>Edible Oils</b>	<b>768</b>	<b>777</b>	<b>848</b>	<b>767</b>		
<b>Palm Oil</b>	<b>669</b>	<b>678</b>	<b>619</b>	<b>610</b>		
Volume (000 MT)	1034	1034	950	1000	-7.5	-1.5
Price (\$/MT)	647.0	655.7	651.6	610.0	-8.1	5.3
					0.7	-6.4
<b>Soyabean Oil</b>	<b>99</b>	<b>99</b>	<b>229</b>	<b>157</b>		
Volume (000 MT)	144	145	352	250	131.3	-31.4
Price (\$/MT)	687.5	682.8	650.6	628.0	144.4	-29.0
					-5.4	-3.5
<b>POL</b>	<b>1753</b>	<b>1493</b>	<b>1400</b>	<b>1822</b>		
<b>Crude Oil</b>	<b>454</b>	<b>384</b>	<b>418</b>	<b>570</b>		
Volume (Million barrel)	29.80	30.70	33.75	37.99	-7.9	36.4
Price (\$/barrel)	15.2	12.5	12.4	15.0	13.3	12.6
					-18.7	21.1
<b>POL Products</b>	<b>1299</b>	<b>1109</b>	<b>982</b>	<b>1252</b>		
Volume (Million MT)	11.00	11.40	11.04	12.61	-24.4	27.5
Price (\$/MT)	118.1	97.3	88.9	99.3	0.4	14.2
					-24.7	11.6
<b>Fertilizers</b>	<b>208</b>	<b>203</b>	<b>203</b>	<b>190</b>		
Volume (000 MT)	1049	875	1285	904	-2.4	-6.4
Price (\$/MT)	198.3	232.0	158.0	210.2	22.5	-29.6
					-20.3	33.0
<b>Capital Goods (Value)</b>	<b>3238</b>	<b>3350</b>	<b>2675</b>	<b>3350</b>		
					-17.4	25.2
<b>All Others</b>	<b>4319</b>	<b>2861</b>	<b>4139</b>	<b>3991</b>		
					-4.2	-3.6
<b>Total (c&amp;f)</b>	<b>11222</b>	<b>9166</b>	<b>9870</b>	<b>10632</b>		
<b>Total (fob)</b>	<b>10301</b>	<b>8420</b>	<b>9054</b>	<b>9800</b>	<b>-12.0</b>	<b>7.7</b>
					<b>-12.1</b>	<b>8.2</b>

## Annexure-1.9

## BALANCE OF PAYMENTS

Items	(\$ Million)			
	1997-98 Actuals	1998-99 Plan/Target	Estimates	1999-2000 Projections
<b>TRADE BALANCE</b>	<b>-1887</b>	<b>-1721</b>	<b>-1449</b>	<b>-800</b>
Exports (fob)	8434	6299	7605	9000
Imports (fob)	10301	8420	9054	9800
<b>INVISIBLES BALANCE</b>	<b>-54</b>	<b>-1671</b>	<b>-967</b>	<b>-971</b>
Services (net)	-3264	-2991	-2683	-2944
Invisibles Receipts	1708	1559	1493	1694
Invisibles Payments	4972	4550	4176	4638
Freight & Insurance	921	746	816	832
Public & Guaranteed Debt	957	1171	1111	1261
Others	3094	2633	2249	2545
Private Transfers	3210	1320	1716	1973
Remittances	1490	1100	1032	1300
F.C.A.(Resident Pakistanis)	1476	0	558	500
Others	244	220	126	173
<b>CURRENT ACCOUNT BALANCE</b>	<b>-1921</b>	<b>-1792</b>	<b>-2416</b>	<b>-1771</b>
Long term capital (net)	1691	-766	1263	686
Gross Disbursements	2803	1451	2682	2232
Project Aid	1552	1299	1405	1250
Programme /Commodity Aid	627	2	1011	625
Food Aid	623	150	264	357
Refugees Assistance	1	0	2	0
Other official transfers (net)	60	2	339	165
Amortization	-1891	-1982	-2059	-1771
Private long term capital (net)	719	-237	301	60
Errors & Omissions	347	183	432	0
<b>BAL. REQ. OFFICIAL FINANCING</b>	<b>117</b>	<b>-2375</b>	<b>-721</b>	<b>-1085</b>
Official assistance & debt relief	422	4252	2369	3051
Exceptional Financing & Financing Gap	0	5526	3593	3882
Medium/short term capital (net)	390	-707	-871	174
Other short term assets/liability	219	-482	-499	-300
FEBC, DBC, FCBC, Eu. Bond(net)	-187	-85	146	-705
<b>OVERALL BALANCE/ NET FOREIGN ASSETS</b>	<b>539</b>	<b>1877</b>	<b>1648</b>	<b>1966</b>
IMF (net)	158	-192	428	603
Purchases	387	0	629	884
Fund ESAF	-	-	-	-
Fund CCFF	-	-	-	-
Repurchases	-229	-192	-201	-281
Repayment of deposits	0	250	250	0
Banks foreign currency deposits	-462	-1502	-2221	-2450
Balancing entry - conversion of FCD	0	0	878	1000
Outstanding export bills	-383	39	65	0
<b>CHANGES IN RESERVES</b>	<b>-148</b>	<b>472</b>	<b>1048</b>	<b>1119</b>

**BUDGETARY PSDP 1999-2000**  
**(Sector-wise Summary)**

Sl. No.	Sectors	PSDP 1999-2000		
		Total	Foreign Aid	Rupee
1	2	3	4	5
<b>A.</b>	<b>FEDERAL MINISTRIES</b>	<b>41,158.627</b>	<b>13,343.769</b>	<b>27,814.858</b>
1	Agriculture	289.116	83.609	205.507
2	Industry	260.100	0.000	260.100
3	Minerals	38.000	0.000	38.000
4	Water	11,288.910	6,158.000	5,130.910
5	Power	2,963.000	0.000	2,963.000
6	Fuels	1,169.980	17.560	1,152.420
7	Transport and Communications	3,186.460	1,662.000	1,524.460
8	Physical Planning and Housing	3,184.693	850.000	2,334.693
9	Education and Training	1,622.688	130.094	1,492.594
10	Science and Technology	423.250	1.000	422.250
11	Health and Nutrition	2,690.298	115.000	2,575.298
12	Rural Development	10,537.164	2,715.593	7,821.571
13	Mass Media	130.025	20.425	109.600
14	Culture, Sports, Tourism & Youth	276.429	31.210	245.219
15	Manpower and Employment	84.400	0.000	84.400
16	Women Development	50.000	0.000	50.000
17	Population Welfare	2,200.000	1,100.000	1,100.000
18	Social Welfare	95.075	0.000	95.075
19	Research, Statistics & Planning	394.172	277.793	116.379
20	Environment	274.867	181.485	93.382

**Annexure-2.1**

**BUDGETARY PSDP 1999-2000  
(Sector-wise Summary)**

Sl. No.	Sectors	(Million Rupees)		
		Total	Foreign Aid	Rupee
1	2	3	4	5
<b>B.</b>	<b><u>SPECIAL AREAS</u></b>	<b>4,048,000</b>	<b>740,960</b>	<b>3,307,040</b>
(a)	Azad Kashmir	2,134,719	682,000	1,452,719
(b)	Northern Areas	865,680	50,000	815,680
(c)	FATA	923,021	0,000	923,021
(d)	FATA-DC	124,580	8,960	115,620
<b>C.</b>	<b><u>SPECIAL PROGRAMMES</u></b>	<b>3,600,000</b>	<b>0,000</b>	<b>3,600,000</b>
1.	Tameer-e-Sindh Programme	500,000	0,000	500,000
2.	Afghan Refugees Programme	100,000	0,000	100,000
3.	Tameer-e-Watan Programme	3,000,000	0,000	3,000,000
<b>D.</b>	<b><u>CORPORATIONS</u></b>	<b>38,685,000</b>	<b>16,521,000</b>	<b>22,164,000</b>
(a)	WAPDA	11,988,500	11,988,500	0,000
(b)	Village Electrification	7,500,000	1,700,000	5,800,000
(c)	OGDC	96,500	96,500	0,000
(d)	NHA	19,100,000	2,736,000	16,364,000
<b>Total (Federal)</b>		<b>87,491,627</b>	<b>30,605,729</b>	<b>56,885,898</b>
<b>E.</b>	<b><u>PROVINCES</u></b>	<b>28,800,000</b>	<b>13,000,000</b>	<b>15,800,000</b>
1.	SAP	16,000,000	8,000,000	8,000,000
2.	Non-SAP	12,800,000	5,000,000	7,800,000
<b>Total (Budgetary PSDP)</b>		<b>116,291,627</b>	<b>43,605,729</b>	<b>72,685,898</b>

\* Includes Rs 100 million for Jagran Hydro power Project in AJK.

## EXPECTED PHYSICAL ACHIEVEMENTS 1998-99 AND TARGETS 1999-2000

Item	Unit	Expected Achievements 1998-99	Targets 1999-2000
<b><u>I. PRIMARY EDUCATION</u></b>			
New Primary Schools	Nos	1871	1883
Additional Class Rooms	Nos	3326	2085
Buildings for Shelterless Schools	Nos	1180	1770
Up-gradation of PS to Middle	Nos	901	999
Opening Middle School	Nos	168	117
<b><u>II. PRIMARY HEALTH</u></b>			
New BHUs	Nos	29	18
New RHCs	Nos	14	34
Up-gradation of BHUs	Nos	48	83
Up-gradation of RHCs	Nos	40	33
LHW Recruited & Trained	Nos	18252	10000
Immunization	Million Nos	3.0	3.47
Tehsil HQ Hospitals	Nos	251	3
<b><u>III. FAMILY PLANNING</u></b>			
TBAs Trained	Nos	2295	4153
Contraceptive Prevalence rate	%	30.0	32.3
TFR	%	4.7	4.6
<b><u>IV. RWSS</u></b>			
Rural Water Supply (% Pop)	%	61.14	64.65
Rural Sanitation (% Pop.)	%	26.78	30.52

Source: Provincial Governments, Area Administrations and Federal Ministries of Education, Health and Population Welfare.

## UTILIZATION DURING 1998-99 AND OUTLAYS FOR 1999-2000 (Million Rs)

Sector	Utilization 1998-99	Outlays 1999-2000	% Increase Over 1997-98
Elementary Education	42.554	58.760	38.0
Primary Health Care	13.197	18.348	39.0
Rural Water Supply & Sanitation	6.378	8.541	33.9
Population Welfare	2.000	2.200	10.0
PDP, Monitoring, Evaluation & Technical Assistance	0.091	1.003	1002.2
<b>Total</b>	<b>64.219</b>	<b>88.852</b>	<b>38.4</b>

Source: Provincial Governments, Area Administrations and Federal Ministries of Education, Health, Population Welfare and Programming Section of P&D Division.