

From Stabilization to Sustainable Growth



Annual Plan 2021-22



Government of Pakistan
Planning Commission
Ministry of Planning, Development & Special Initiatives

Annual Plan

2021-22

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PSDP PORTFOLIO 2020 -21

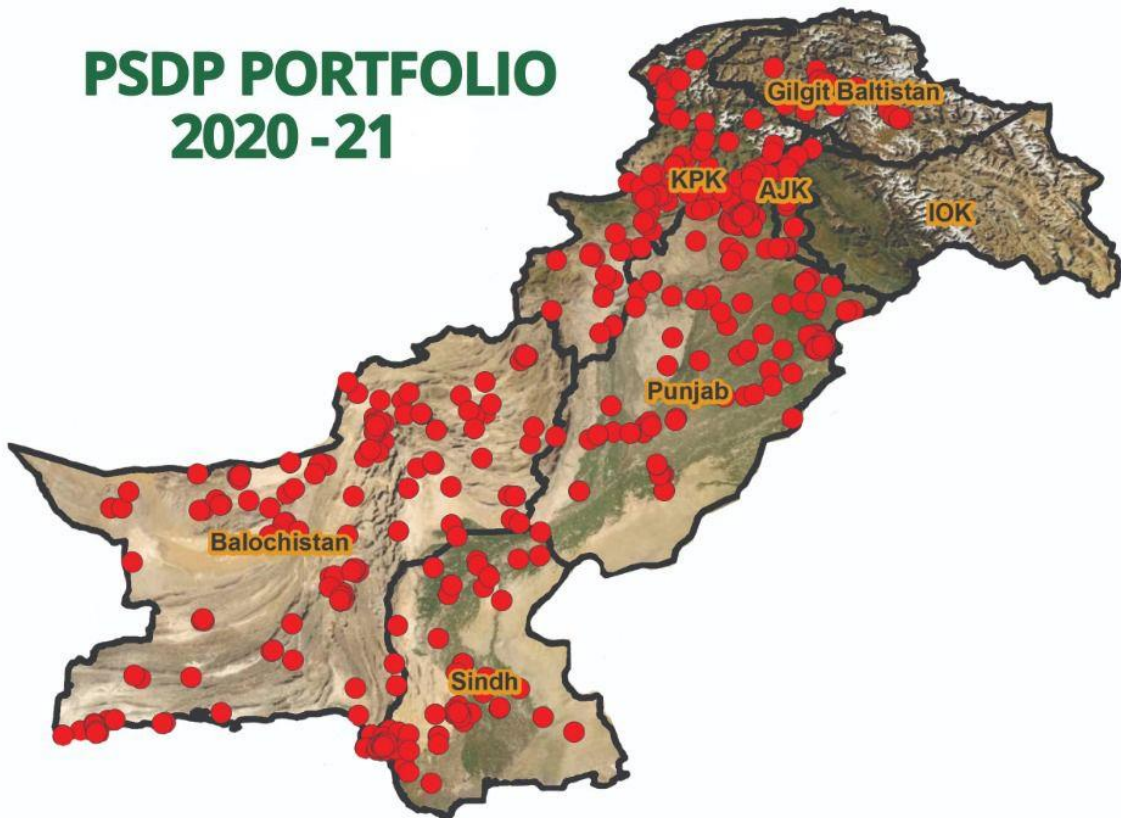


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FOREWORD

Annual Plan 2021-22 aims to put the country on the trajectory of economic revival by taking cognizance of evolving COVID-19 situation. This document has been prepared by taking into account the pandemic related challenges arising in terms of lockdowns, spiraling inflation, unemployment and laying off, enhanced social protection and above all, stabilization programme of IMF. The government has announced stimulus packages of 1.4 trillion rupees including Construction Industry Package, *Kamyab Jawan Programme*, and expanded *Ehsaas Programme* to mitigate multidimensional effects of COVID-19 pandemic. In addition, Inclusive Growth through special initiatives has remained at the heart of government's development plan so that regional disparities could be addressed to achieve equitable growth.

Despite endemic structural macroeconomic imbalances accentuated by the COVID-19 pandemic, the government's calibrated strategy of balancing between saving lives and protecting livelihood, the Pakistani economy managed to emerge with a sharp recovery during 2020-21. I am happy to mention that, during 2020-21, GDP registered growth of 3.94 percent at the back of agriculture (2.77 percent), industries (3.57 percent), and services (4.43 percent). As a result of GDP growth rate, per capita income has increased from \$ 1,361 to \$ 1,543.

The V-shaped and broad-based economic recovery resulted from record production in the agriculture and industrial sectors, a turnaround of construction industry, and a surge in expatriate remittances. Along with prudent fiscal management and market-based management of exchange rate, the improved macroeconomic performance was also underpinned by government's determined policy push and economic stimulus packages for agriculture, SMEs, and construction industry. The distinguishing feature of government's policy was the implementation of internationally acclaimed social protection programmes like *Ehsaas* and *Kamyab Jawan* that helped to save lives and incomes of the vulnerable segments of the population.

Going forward, it is imperative that, during 2021-22, sustainable macroeconomic policies are pursued keeping in view the downside risks that economy could face. Lockdowns in cities and slowdown business activities is likely to become impediments for supporting growth momentum. The government is determined to continue pursuing a variety of reforms that will improve investment climate as well as reduce the cost of doing business in the country. In particular, the PSDP 2021-22 aims to support prioritized areas of public investment that will crowd-in private investment, strengthen delivery of social services and, under the Regional Equalization Programme, implement a comprehensive agenda for balanced growth and employment opportunities in the less developed areas of the country.

I would like to acknowledge the hard work of team members for preparation of this important document, under the leadership of Hamed Yaqoob Sheikh, Secretary PD&SI, Dr. Muhammad Ahmad Zubair, Chief Economist, Rai Nasir Ali Khan, Joint Chief Economist (Economic Policy), Members of the Planning Commission, Members of the Review Committee, Chiefs, officers and staff of the Plan Coordination Section and Jawaid Azfar Computer Centre.

Planning Commission is grateful to Mr. Asad Umar, Minister for Planning Development and Special Initiatives, for his leadership, guidance and advice in the finalization of the Annual Plan 2021-22.

(MOHAMMAD JEHANZEB KHAN)

Deputy Chairman
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Islamabad, 7th June 2021

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EXECUTIVE SUMMARY

State of the Economy

In the face of uncertain environment and contain measures adopted in response to the pandemic, implementation of well calibrated economic policies and social protection stimulus helped achieve macroeconomic stability. Given fiscal constraints, support for the most vulnerable under *Ehsaas*, SBP's targeted monetary stimulus of loan deferment, payment of electricity bills of distressed industry helped economy rebound and surpass the growth target by 1.8 percentage points as it touched 3.9 percent backed by strong sectoral performances.

Agriculture sector achieved its growth targets on the back of positive contribution of crops, livestock, dairy, poultry and fisheries, while industry performed exceptionally well owing to strong performance in manufacturing (8.7 percent, with LSM growing at 9.3 percent), and services sector posting 4.4 percent growth to provide impetus to economic growth revival during 2020-21. Incentive package for construction sector during pandemic also helped invigorate the economic activity to spur backward and forward linkages. Lower net FDI inflows were offset by increase in national savings and improvement in private investments.

Fiscal and Monetary Developments: Consolidated total revenue, based on 11.5 percent growth in FBR taxes, and 12 percent growth in non-tax revenues helped contain the 9-month fiscal deficit at 3.5 percent of GDP, well below the target of 7 percent. Robust measures for smoothing supply, removing market disruptions helped average inflation to stay at 8.6 percent.

External Sector: On external front, growth of 6.5 percent in exports and highest ever inflow of remittances helped the current account balance post a surplus of 0.3 percent of GDP. DSSI eased the debt related liabilities which provided much needed relief to the economy while SBP's accommodative monetary policy and adoption of market-based exchange rate allowed sizeable expansion of refinancing facilities and improvement in BoP position contributed to build up of foreign exchange reserves.

Economic Outlook for 2021-22: With subsiding pandemic due to vaccine roll out, expected improvement in global economy (projected at 6 percent as per IMF estimates), anticipation of favorable weather conditions, and easing of COVID related restrictions, GDP is targeted to grow at 4.8 percent during 2021-22 – a continuum of growth stabilization during 2020-21. Agriculture sector is projected to grow at 3.5 percent on the back of revival of cotton, availability of water, certified seeds, fertilizers, pesticides and agriculture credit facilities. Industrial sector is expected to maintain its growth momentum and targeted to grow at around 6.2 percent on the back of sustained LSM growth of 6 percent, collateral-free credit guarantee scheme for SMEs, the buoyancy in construction, with spillovers in allied industries. The services sector is set to grow at 4.7 percent on the back of the envisaged growth in agriculture and industry.

On the fiscal and monetary front, average inflation is targeted to remain within 8 percent on the basis of expected adjustments in energy tariffs while high global food and commodity prices may keep upward pressure. On external front, imports are expected to grow significantly (9.5 percent) however, robust growth in remittances (10 percent) and modest growth in exports (6.5 percent) are likely to offset some of its impact. Thus, current account deficit is projected to remain subsided (0.7 percent of GDP). However, building capabilities and providing opportunities through public investment will help to arrest widespread unemployment in the country and sustaining the growth momentum.

Building Capabilities for Sustainable Growth

Policies to build capabilities will increase labour force participation rate while 38 percent increase in PSDP, new initiatives like BTP, *Kamyab Jawan*, *Naya Pakistan* Housing, SEZs, ML-1 etc. are expected to create more than 3 million jobs. An amount of Rs. 76 billion (8 percent of total PSDP) has been kept aside during 2021-22 for projects aiming at building capabilities for sustaining growth.

Skill Development: To address the capabilities issues, an amount of Rs. 3.5 billion was allocated for ongoing and new skill development projects. Collaboration for mass training in emerging fields like Data Science, Machine Learning and Artificial Intelligence will open up work opportunities for Pakistani youth in international markets, for which, NAVTTC is seeking innovative partnership arrangements. With appropriately trained manpower, S&T and ICT sectors have vast potential to turn around governance regime, social structure and to improve the standard of living of general populace.

Digital Pakistan: By March 2021, Pakistan's cellular tele-density stood at around 85 percent with 98 percent subscription of 3G/4G broadband services. During 2020-21, Rs. 16.8 billion were allocated for IT, telecom and space technology related projects. SUPARCO/HEC executed projects like establishment of National Centres of Excellence in Cyber Security, GIS and Space Application, Big Data and Cloud Computing, IoTs, AI, Geospatial Monitoring of Major and High Value Crops and Cadastral Mapping.

IT & Telecomm: For 2021-22, an allocation of Rs. 13 billion is earmarked for IT & Telecom and Rs. 7 billion for space related projects. Major projects include Sino-Pak Centre for AI, Certification of IT Professionals, satellite navigation system, development of computer-controlled fermenters and production of bio-chemicals & bioproducts. Digitalization and improved usage of automated systems in the government departments will ensure better public service delivery. Introduction of crime analytics and smart policing as well as smart office concept in federal government departments would help align with the 'future of work' environment.

Building Knowledge-Economy: Knowledge has emerged as a key driver of inclusive growth. In PSDP 2020-21 an amount of Rs. 4.5 billion was allocated to M/o Science & Technology for Industry Focused R&D by PCSIR, trade-related interventions through PSQCA, PNAC and NPSL. HEC implemented 144 projects (Rs. 29.47 billion) for public sector universities, of which 73 percent was utilized on activities like construction of academic buildings, ICT infrastructure, faculty development, procurement of laboratory equipment etc. *Ehsaas* undergraduate scholarships for more than 8,000 students is also being processed.

During 2021-22, higher education projects will focus on HRD, Herbal Medicines, Quality Assurance and Standards, Halal Accreditation, Medical Devices and Health, Electronics and Automation, Nano-Technology, and Talent Farming Scheme. An amount of Rs 8.34 billion has been allocated for S&T and Knowledge Economy related projects, Rs 37.3 billion for higher education sector and special package of Rs 5.15 billion for Southern Balochistan, Gilgit Baltistan and Interior Sindh.

Institutional Reforms to Transform Governance: Activities for judicial system reforms, national security, law & order and police reforms are under process based on a comprehensive National Security Policy framework. The framework also envisages measures for combating

money laundering and terror financing while Anti-Money Laundering Bill and Anti-Terrorism Act (Amendment) have been introduced.

Revenue Reforms primarily focus on tax payers' facilitation, strengthening Audit Management, Prosecution, Appellate and Alternate Dispute Resolution Systems. Anti-Smuggling and Confiscation of goods portal and Pakistan Single Window have been launched to reduce cross-border trade barriers. Automation of the auditing system (Audit Management Information System), and dashboards developed by SDG Support Units and PBS would support transparency and evidence-based policy making.

An amount of Rs. 8.0 billion (6 percent higher than last year) has been earmarked for the governance sector in 2021-22 to accomplish the reform agenda pertaining to innovation, capacity enhancement, improved performance management, public financial management and public sector restructuring and reforms for improved service delivery. Building capabilities and providing opportunities to public investment will trigger modernizing infrastructure for accelerating growth.

Modernizing Infrastructure for Growth Acceleration

Adequately trained and technically sound professional work force and a modern and efficient infrastructure are pre-requisite for enhancing productivity and sustaining growth. Such an environment helps augments economic growth by reducing transactions costs, increasing durability of capital goods, fostering trade, improves redistribution of income and investment, diversification and help in achieving economies of scale and scope. An amount of Rs. 469 billion (52 percent of total PSDP) has been allocated for 2021-22 for projects aiming at modernizing infrastructure for accelerating growth.

Energy Sector: Presently, the share of renewable energy is only around 4 percent, however, the potential and incentives to switch towards renewable resources is significant. Appropriate planning and implementation of a number of power generation projects have helped energy sector overcome the protracted demand-supply challenge, as 3,556 MW will be plugged into the system by June, 2021. By June 2022, an additional 5,981 MW energy is expected to be plugged into the system, including 1,536 MW from renewable sources. The transmission capacity will be enhanced by 2,250; 2,750 and 4,000 MVA capacity on 500 kV, 220kV and ± 660 kV networks by June 2022 for evacuation of additional power. To boost industrial development, electricity & gas supply schemes to Special Economic Zones (SEZs) under CPEC (Rashakai, Dahbeji, Allama Iqbal, Bin Qasim and Bostan) are expected to be completed by June, 2022. An amount of Rs. 228,767.54 million has been earmarked for energy sector projects during 2021-22.

Reversing Water Scarcity: Pakistan has total water storage capacity of 13.68 MAF for 30 days, which makes Pakistan a water stressed country. The plan is to add another 10 MAF in this capacity during 2021-22. To overcome water scarcity and enhance storage capacity, two major storage dams viz. Diamer Basha and Mohmand, along with 518 medium and small dams having cumulative storage capacity of 8.33 MAF have been initiated throughout the country. The allocated amount of Rs. 68.652 billion for 2020-21 will be utilized by June 2021. An amount of Rs. 90.313 billion is allocated for water sector projects, excluding hydel projects, during 2021-22.

Mitigating Climate Change Impact through Ten Billion Tree Tsunami: Pakistan falls in the top ten most affected countries due to climate change. Government has taken various mitigation steps including issuance of ‘Green Stimulus’, ‘Ecosystem Restoration Fund’, ‘Debt for Nature’ swap and floating of ‘Green Euro Bond’. In 2020-21, total PSDP allocation to Climate Change sector stood at Rs. 6,000 million. Out of this, the lead focus was on “Ten Billion Trees Tsunami Programme- Phase-I Upscaling of Green Pakistan Programme” (TBTTP, Revised) (Rs. 125.2 billion)”- an afforestation initiative to increase the carbon sinking capacity by enhancing tree cover of Pakistan. For 2021-22, to attain mark of 1 percent additional afforestation, government has allocated Rs. 14,000 million funds, to ensure efficient implementation of “Ten Billion Trees Tsunami Programme-Phase-I”. Government is also committed to equip the local communities with knowledge and technology for Disaster Risk Management.

Strengthening Efficiency of Transport and Logistics: Modern, efficient and connected transport infrastructure networks are positively associated with development and rapid growth. In this backdrop, a large amount of human and financial resource is invested into the development of this sector, supported by Chinese investments under CPEC in the recent years. Establishment of Public Private Partnership Authority to handle PSDP Plus projects for implementation in PPP mode is expected to further spur growth in this sector.

For transport and logistics sector, Rs. 173.8 billion were allocated during 2020-21, of which, Rs. 127.6 billion have been utilized. An amount of Rs. 302 billion (74 percent higher) has been earmarked for the development programme of the transport and logistics in 2021-22. Better infrastructure and appropriately trained manpower will set the stage for improving the social service delivery in the country.

Transforming Delivery of Social Service

Social services, linked with universal human rights as well as constitutional rights of a citizen, are among the top priorities of the government. Although, social service delivery is devolved to provinces, Federal Government is responsible for ICT, GB and AJK. The areas of activities covered under social service include population welfare, health and nutrition and education. The allocation of Rs. 186 million for GB and AJK population welfare programmes during 2020-21, with 80 percent utilization has helped in improved coverage. A new national narrative “*tawazun*” to represent balance in family size and resources, will be launched nationwide to further improve coverage of this service. An amount of Rs. 44 billion has earmarked for projects included in the PSDP 2021-22 for improving social service delivery, in particular in the federal areas, while provincial ADPs have set aside hefty amounts, being primary responsible for social service delivery in the provinces.

Health & Nutrition: In health sector, COVID-19 negatively impacted the outcomes covered under SDG-3 (Ensure healthy life and wellbeing for all at all ages), while high prevalence of stunting and wasting pose a dual challenge. Provincial governments are also contributing in strengthening health sector for achieving Universal Health Coverage (UHC) targets within their ADP 2020-21 resources. National health outlay of Rs 186.7 billion was earmarked for improved health outcomes.

Nutritional initiatives include Food Fortification Programme (for wheat flour, edible oil and salt) while implementation of Pakistan Multi-sectoral Nutrition Strategy 2018-2023 is planned during the year. An amount of Rs. 312 billion project “Tackling Malnutrition Induced Stunting

in Pakistan' is prepared for 67 high burden malnutrition districts of the country for combatting malnutrition especially stunting.

The M/o National Health Services, Regulation and Coordination proposes 42 new schemes for financing out of PSDP 2021-22. Some important initiatives include improving emergency and response services for COVID-19 and other transmittable diseases. Human Resource for Health (HRH) initiative is also priority agenda for the next financial year as Government envisages strengthening the nursing sector, which is backbone of health system. EPI programme aims at protecting about 7 million children of ages between 0–23 months against 10 vaccine- preventable diseases, while vaccination of 7 million pregnant women is also planned.

Education: Compared with regional countries, Pakistan's educational indicator ranks low. PSLM 2018-19 reconfirms literacy rate hovering around 60 percent for last few years, while gender parity is another area of focus in education sector. Mitigating loss of learning with over 50 million learners affected due to COVID-19 during 2020-21 poses yet another daunting challenge. Federal PSDP financed 23 projects aimed at introducing uniform curriculum, capacity building of teachers and principals, recruitment of teachers, establishment, renovation and up-gradation of schools and colleges, improve gender disparity, education voucher scheme and improve educational assessment. For the year 2021-22, an amount of Rs. 5.52 billion has been earmarked for projects in education sector, including Rs. 1 billion earmarked for AJK.

Deepening People-Centric Security

In alignment with SDGs, government accords high priority to poverty alleviation while urban development, access to affordable housing, access to mass media and preserving national heritage and promote culture will contribute to achieving the target of inclusive growth. The rising trend of poverty related public expenditures reported by Ministry of Finance is manifestation of government's commitment to making progress on SDGs. During 2019-20, government spent Rs. 3,447 billion on activities under 17 pro-poor sectors. An amount of Rs. 151 billion (17 percent of total PSDP) has been allocated for projects of PASS Division and for other initiatives of *Ehsaas* aiming at protecting the vulnerable and social inclusion of the marginalized.

Social Protection and Poverty Alleviation: A dashboard has been developed for collating data of various social protection programmes with number of beneficiaries for mapping social protection coverage at federal and provincial levels. Several noteworthy social security schemes cover formal sector workers; however, largely informal sector workers were excluded until recently. The present government launched for the first time, a programme to include informal sector workers into the ambit of social protection.

***Ehsaas*,** Pakistan's largest social protection initiative, comprises of over 260 policies initiatives. *Ehsaas* emergency cash programme provided cushion (worth Rs. 179.8 billion) to the vulnerable due to COVID-19 and provided Rs. 12,000 to 15 million deserving families for their consumption smoothing. *Ehsaas Rashan* Portal links donors with beneficiaries for provision of basic food items through private sector and civil society organizations. An amount of Rs. 135 million was allocated to two development schemes of PASS Division i.e. *Tahafuz* Pilot Project and *Ehsaas* Delivery Unit.

Ehsaas initiatives include BISP, PBM, PPAF and TVO. Overall an amount of Rs. 204 billion has been disbursed during 2020-21 under various projects and schemes of PASS Division, BISP, PPAF, TVO including emergency cash disbursement of 160 billion. PPAF disbursed of Rs. 2.64 billion to its partner organizations for various poverty alleviation programmes. The National Poverty Graduation Initiative under *Ehsaas*, two programmes are being implemented by PPAF: Under Interest Free Loan programme, 490,368 loans (with 47 percent loans for women) of Rs. 17.5 billion were disbursed to the borrowers: BISP poverty graduation by improving livelihood has the annual disbursement of Rs. 160 billion (including *Ehsaas* Emergency Cash Assistance) during 2020-21. BISP *Waseela e Taleem* has enrolled 4.23 million children (47 percent females) and disbursed Rs. 16.2 billion. PBM disbursed an amount of Rs. 6.1 billion during 2020-21.

Under the National Business Development Programme for SMEs, SMEDA conducted 108 training programmes for 6,158 participants, and established 16 stitching units and facilitated 3,797 SMEs by providing Rs. 178.48 billion as loans, conducted 117 Training Programmes, and developed 38 Pre-Feasibility Studies and 6 Business Plans. Employees Social Security Institutions extended social security services to 90,000 workers of industrial and commercial establishments having 540,000 dependents.

Cities as Engines of Inclusive Growth: Well-planned cities are considered a key driver of growth having vast potential of reducing poverty and creating jobs. An allocation of Rs. 26 billion was made in PSDP 2020-21 for implementation of physical planning & housing sector projects, while provincial governments allocated another Rs. 79.7 billion for such projects. M/o PD&SI launched a Rs. 70 billion national programme to mitigate impact of COVID-19 for expanding coverage of water, sanitation and hygiene facilities for which Rs. 12.5 billion were allocated during 2020-21. Another Rs. 49 billion (approx.) are allocated to implement PP&H sector programmes in 2021-22.

Expanding Outreach of Digital Media: Pakistan is an emerging cellular economy with digital economy beginning to transform the way people live and work. Pakistan Bureau of Statistics reports that 98 percent of households own a mobile phone, while there are 183 million and 101 million cellular and broadband subscribers, respectively. An amount of Rs. 360.92 million was earmarked to nine ongoing and one new project of M/o Information & Broadcasting during 2020-21 for improved transmission/ production quality of audio and video signals and increasing the coverage. Funds to the tune of Rs 1,899.86 million have been allocated in PSDP 2021-22 to Ministry of Information and Broadcasting.

Preserving National Heritage: The government assigns high priority to promote cultural harmony while maintaining cultural peculiarities to promote inclusivity and societal participation. Initiatives to promote this include steps for protection of minorities through socio-economic uplift of minorities, welfare of writers, promotion of literature and creation of peace and harmony in the society. An amount of Rs.194.74 million was earmarked for projects of National Heritage & Culture Division. These initiatives are planned for promotion of the sense of one nation with diverse culture and history. An amount of Rs 125.93 million has been allocated to National Heritage and Culture Division in PSDP 2021-22.

Strengthening the Federation – Leaving No One Behind

Inclusive growth cannot take place without balanced development and harnessing the development potential of all areas and segments. Hence, socio-economic disparities among

different regions need to be addressed on priority for strengthening the federation. A quarter of the population lives below the national poverty line with significant provincial and regional differences makes our society vulnerable. Promoting balanced regional development by minimizing regional disparities lead to national harmony. An amount of Rs. 160 billion (18 percent of total PSDP) has been kept aside for 2021-22 for projects aiming at fostering harmony in the federation.

Inter Provincial Coordination for Achieving SDGs: SDGs agenda provides a framework for assessing the performance of provincial governments – with more resources and powers on their disposal after the 18th Amendment. Integrated statistical systems and improved communication around SDGs can help in balancing development across all regions and provinces.

Regional Equalization Programmes: Accelerated Development Plan for Southern Balochistan; Gilgit Baltistan Development Package; and Karachi Transformation Plan focus on improving regional equities by enhancing skilled manpower and employability, and reducing income inequalities. The KP's merged districts ten-year development plan will uplift these backward districts in three phases, and bring them at par with the rest of province. *Ehsaas*; Agriculture Fiscal Package, construction and SME Packages and *Kamyab Jawan* will ensure opportunities for social advancement and livelihood for the people in these areas by improving standard of living of the people, reducing regional disparities, use of local potential (tourism, mineral development, energy resources), alleviating poverty and improving human development indicators, livelihood support and social protection.

Development Plan for Southern Balochistan: Nine most deprived districts of Southern Balochistan will be focused for their social uplift through implementing 199 projects with an estimated cost of Rs. 601 billion in water, power & fuel, agriculture & livestock, IT, industries & commerce and human development areas, in various modes of financing. **Gilgit Baltistan Development Package** focusses on socio-economic uplift of GB by implementing 2,167 projects with an estimated cost of Rs. 377 billion. **Karachi Transformation Plan** aims at uplifting the leading metropolitan through implementation of 13 mega projects estimated to cost Rs. 799 billion.

Regional Equalization Programme in the PSDP 2021-22: Government has planned to invest an amount of Rs. 100 billion during 2021-22 in AJK and GB, and for the merged districts in KP. **CPEC Planned Activities** during 2021-22 include continuing work on 4 SEZs, while work will commence on the remaining 23 of 27 projects identified for poverty alleviation, health, education, vocational training, agriculture and water supply.

Abbreviations and Acronyms

ADP	Annual Development Programme
ADR	Altering Dispute Resolution
AGP	The Auditor General of Pakistan
AMCs	Asset Management Companies
APCC	Annual Plan Coordination Committee
ARE	Alternate and Renewable Energy
BISP	Benazir Income Support Programme
BLEP	Balochistan Livelihood and Entrepreneurship Project
BoP	Balance of Payment
BPD	Barrels Per Day
BRACE	Balochistan Rural Development and Community Empowerment Programme
CBN	Cost of Basic Needs
CCI	Council of Common Interests
CCP	Competition Commission of Pakistan
CDWP	Central Development Working Party
CLICK	Competitive and Liveable City of Karachi
CMI	Census of Manufacturing Industries
COVID-19	Corona Virus Disease of 2019
CPEC	China-Pakistan Economic Corridor
CPI	Consumer Price Index
CSF	Coalition Support Fund
CSO	Civil Society Organizations
CWHR	Council for Works and Housing Research
DALYs	Disability Adjusted Life Years
DC	Direct Cash
DISCOs	Distribution companies
DOAM	Department of Archaeology & Museums
DTH	Direct to Home Television
ECD	Early Childhood Development
ECO	Economic Cooperation Organization
EmONC	Emergency Obstetric and Neonatal Care
EPI	Expanded Programme on Immunisation
ERRA	Earthquake Reconstruction and Rehabilitation Authority
ESSI	Employees Social Security Institution
FBR	Federal Board of Revenue
FDI	Foreign Direct Investment
FLFP	Female Labour Force Participation
FRDL	Fiscal Responsibility and Debt Limitation
FSIS	Food Security Information System
GAP	Global Action Plan
GCF	Green Climate Fund

GDP	Gross Domestic Product
GER	Gross Enrolment Rate
GGGI	Global Gender Gap Index
GLLSP	Gawadar Lasbella Livelihood Support Project
GLOF	Glacier Lake Outburst Flood
GNP	Gross National Product
GPI	Gender Parity Index
GPP	Governance & Policy Project
GRASP	Growth for Rural Advancement & Sustainable Progress
GSP	Geological Survey of Pakistan
HEC	Higher Education Commission
HIES	Household Integrated Economic Survey
HPLC	High Performance Liquid Chromatography
HRD	Human Resource Development
HRH	Human Resource for Health
IBC	Indicative Budget Ceiling
ICT	Information and Communication Technology/Islamabad Capital Territory
IDSR	Integrated Disease Surveillance and Response
IFA	Individual Financial Assistance
IFAD	International Fund for Agricultural Development
IFL	Interest Free Loan
IGCEP	Indicative Generation Capacity Expansion Plan
IMF	International Monetary Fund
IMR	Infant Mortality Rate
IWRM	Integrated Water Resources Management
JCC	Joint Cooperation Committee
JWG	Joint Working Group
LEAF	Locust Emergency and Food Security
LNG	Liquefied Natural Gas
LOI	Letter of Intent
LPG	Liquefied Petroleum Gas
LSM	Large-Scale Manufacturing
M2	Money Supply
MAF	Million Acre Foot
MMCFD	Million Standard Cubic Feet per Day
MNMIS	Multi Sectoral Nutrition Information Management System
MoIPC	Ministry of Inter-Provincial Coordination
MoPD&SI	Ministry of Planning, Development and Special Initiatives
NAC	National Accounts Committee
NAG	National Art Gallery
NAPHDA	Naya Pakistan Housing and Development Authority

NAVTTTC	National Vocational and Technical Training Commission
NDA	Net Domestic Assets
NDA	Net Domestic Assets
NDRMF	National Disaster Relief Management Fund
NEC	National Economic Council
NEECA	National Energy Efficiency and Conservation Authority
NEET	Not in Education, Employment, or Training
NEPRA	National Electric Power Regulatory Authority
NER	Net Enrolment Rate
NGOs	Non-Governmental Organizations
NHA	National Highway Authority
NHSR&C	Ministry of National Health Services, Regulations and Coordination
NICs	National Incubation Centre
NIDs	National Immunization Days
NIE	National Institute of Electronics
NIPS	National Institute of Population Studies
NIS	New Item Statement
NISP	National Immunization Support Programme
NNF	National Nutrition Forum
NNTMP	National Nutrition Thought Management Programme
NTDC	National Transmission & Despatch Company
NTP	National Transport Policy
NTRC	National Transport Research Center
OGRA	Oil and Gas Regulatory Authority
OTT	Over the Top
P&SH	Primary and Secondary Healthcare
P3A	Public Private Partnership Authority
PAEC	Pakistan Atomic Energy Commission
PAO	Principal Accounting Officer
PARC	Pakistan Agricultural Research Council
PASS	Poverty Alleviation and Social Safety
PBC	Pakistan Broadcasting Corporation
PBM	Pakistan Bait ul Mal
PBS	Pakistan Bureau of Statistics
PCRET	Pakistan Council for Renewable Energy Technologies
PCRWR	Pakistan Council of Research in Water Resources
PCSIR	Pakistan Council for Scientific and Industrial Research
PDGN	Pakistan Dietary Guidelines for Better Nutrition
PDL	Petroleum Development Levy
PEMRA	Pakistan Electronic Media Regulatory Authority
PFM	Public Financial Management

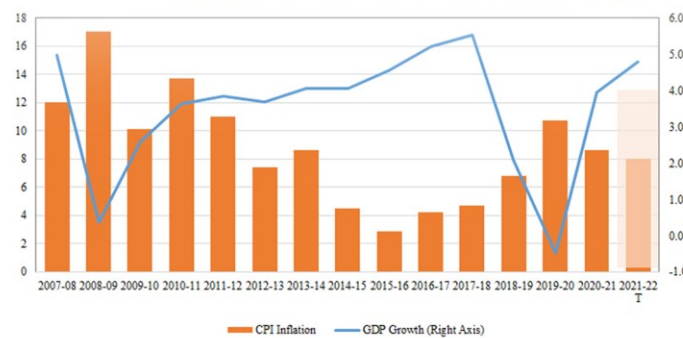
PHCIP	Punjab Human Capital Investment Project
PHCSP	Pakistan Hydromet and Climate Services Project
PMD	Pakistan Meteorological Department
PMNS	Pakistan Multi-sectoral Nutrition Strategy
PNAC	Pakistan National Accreditation Council
PNCA	Pakistan National Council of Arts
PNNCC	Pakistan National Nutrition Coordination Council
POs	Partner Organizations
PPAF	Pakistan Poverty Alleviation Fund
PPIB	Private Power and Infrastructure Board
PRI	Pakistan Remittance Initiative
PRIDE	Punjab Resource Improvement and Digital Effectiveness
PSDP	Public Sector Development Programme
PSEs	Public Sector Enterprises
PSF	Pakistan Science Foundation
PSLM	Pakistan Social and Living Standards Measurement Survey
PSPA	Punjab Social Protection Authority
PSQCA	Pakistan Standards and Quality Control Authority
PSW	Pakistan Single Window
PTA	Pakistan Telecommunication Authority
PTVC	Pakistan Television Corporation
PWD	Population Welfare Department
PWDs	Persons with Disabilities
RLNG	Regasified Liquid Natural Gas
RRRP	Response, Recovery and Resilience Project
RTI	Regional Training Institute
SAFTA	South Asian Free Trade Agreement
SBP	State Bank of Pakistan
SDGs	Sustainable Development Goals
SECMC	Sindh Engro Coal Mining Company
SECP	Securities and Exchange Commission of Pakistan
SEZ	Special Economic Zones
SIDCL	Sindh Infrastructure Development Co. Ltd.
SMEDA	Small & Medium Enterprises Development Authority
SMEs	Small and Medium Enterprises
SNGPL	Sui Northern Gas Company Limited
SOEs	State Owned Enterprises
SPPAP	Southern Punjab Poverty Alleviation Project
SPRU	Social Protection Reform Unit
SRCLS	Schools for Rehabilitation of Child Labour
SROs	Statutory Regulatory Orders

SRSO	Sindh Rural Support Organization
SSGCL	Sui Southern Gas Company Limited
STFP	Strategic Trade Policy Framework
STP	Spanning Tree Protocol
TCF	Trillion Cubic Feet
TDL	Total debt and liabilities
TDPs	Temporarily Dislocated Persons
TDS	Tariff Differential Subsidy
UCBPRP	Union Council Based Poverty Reduction Programme
UCT	Unconditional Cash Transfer
UFG	Unaccounted for Gas
UHC	Universal Health Coverage
UNEP	United Nations Environment Programme
WASH	Water, Sanitation and Hygiene
WED	World Environment Day
WeT	Waseela-e-Taleem
WTO	World Trade Organization
WWF	Workers Welfare Fund

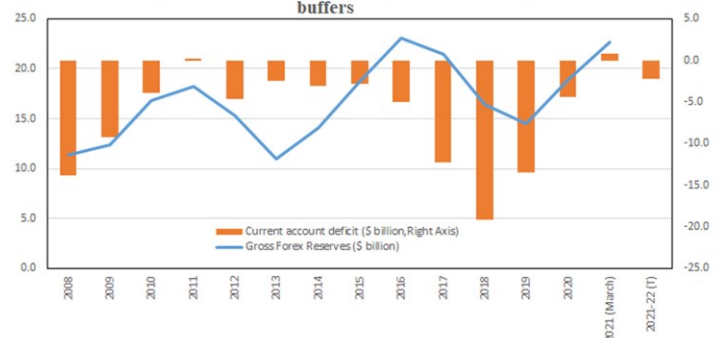
Chapter 1 | **STATE OF THE ECONOMY**



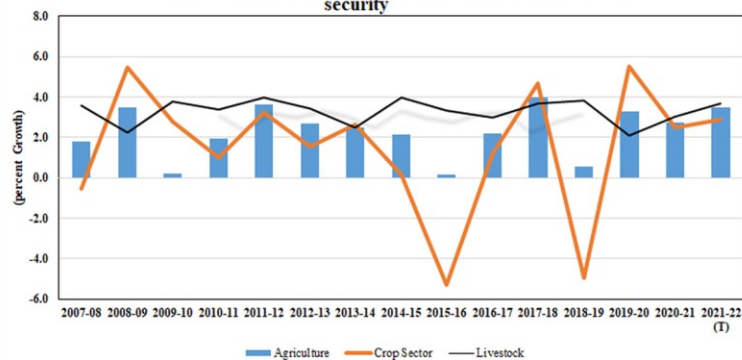
Anchoring Post-COVID V-shape economic growth recovery.....



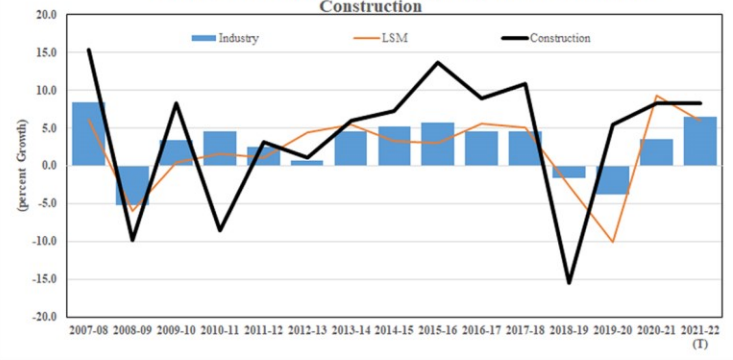
....without triggering BoP crisis & accompanied by build-up of forex buffers



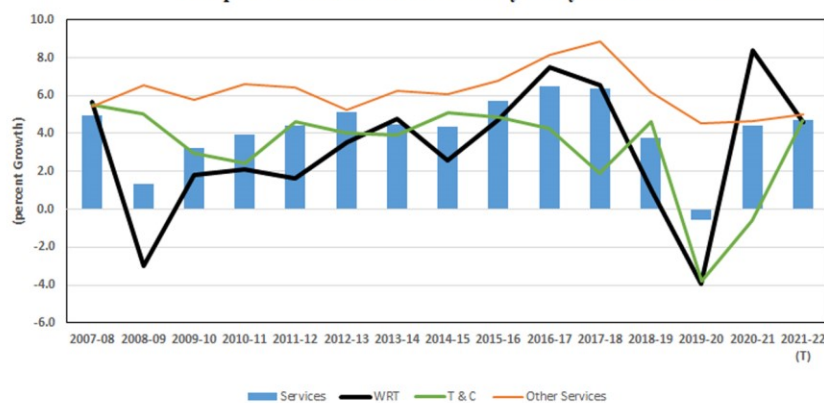
Enhancing agriculture sector performance & ensuring food security



Building Industrial recovery by supporting momentum in LSM & Construction



Sharp bounce back in Services mainly led by trade & commerce



STATE OF THE ECONOMY

Pakistan economy's hard-earned stabilization and nascent recovery was impeded during 2020-21 by a *black swan* event – the global emergence of COVID-19 in early 2020. Annual Plan 2020-21 was, therefore, COVID-19 responsive plan whereby the government implemented well calibrated macroeconomic and social protection policies; protecting lives and supporting livelihood. Given fiscal constraints, support was targeted to most vulnerable and daily wage earners through the *Ehsaas*¹ programme.

Similarly, State Bank of Pakistan provided a targeted monetary stimulus of over Rs 2 trillion (approximately 5 percent of GDP) through interest rate cut, principal deferment & loan restructuring, *Rozgar* payroll finance scheme to prevent layoffs, and concessional finance for investment in industry and health facilities. Resultantly, in 2020-21 economy resumed its pre-COVID-19 growth trajectory by rebounding in V-shape.

The economy rebounded with the highest large-scale manufacturing (ISM) growth since 2005-06, highest export growth since 2011, highest production of rice, maize and wheat in a single year and highest ever foreign remittances. After 2011, current account turned into surplus in 2020-21 whereas total debt and liabilities registered lowest ever growth in last 15 years. Moreover, construction sector and export related industries were given support to spur backward and forward linkages. The services sector showed a healthy growth due to support from agriculture and industry. This enabled economy to surpass overall targeted growth of 2.1 percent and register GDP growth of 3.94 percent (Annex Table 1.1) amid strong sectoral performance.

Sectoral Review

Agriculture Sector

Agriculture sector achieved its overall growth target with its main sub-sectors depicting mixed patterns in growth (Annex Table 1.1). Bumper crops of wheat, maize, rice and sugarcane helped important crops to surpass its growth target. Better performance of *Kharif* crops (except cotton) coupled with upward revision of wheat support price and Prime Minister's Package of Rs. 5.4 billion for Rabi crops proved salutary for the crop production. Cotton crop production declined by 22.8 percent as compared to last year due to severe monsoon rains, decline in area under cultivation by 17.4 percent and below par seed quality. Moreover, the increased production of *Kharif* crops was not only due to increase in area under cultivation but also due to significant yield gains of important crops (Annex Tables 1.3 and 1.4).

On the inputs side, government provided subsidies on fertilizers, which brought the prices of urea and DAP down by 12 percent and 4 percent, respectively. The overall fertilizer off-take increased by 11.7 percent as compared to the previous year (Annex Table 1.5). Overall, demand for agricultural machinery increased as indicated by increase in production and sale of farm tractors i.e. 65 and 62 percent, respectively over 2019-20 (Annex Table 1.7).

The indicative allocation of institutional credit for agriculture for 2020-21 was increased to Rs. 1,500 billion. During the period July-March, 2020-21, financial institutions disbursed more

¹ *Ehsaas* is Urdu word for compassion.

than Rs. 953 billion, i.e. 64 percent of overall annual target and 4.5 percent higher than disbursement in July-March, 2019-20 (Annex Table 1.8).

National Locust Control Centre played important role in management of locust swarms attack. Management of locust attack in future will further improve through recently launched 'Locust Emergency and Food Security (LEAF)' project. The sub-sectors of livestock, dairy, poultry and fisheries also contributed positively to overall growth in agriculture (Annex Tables 1.9 & 1.10).

Industrial Sector

Impact of COVID-19 pandemic intensified economic woes of the industrial sector which experienced major contraction last year. The COVID-19 responsive Annual Plan 2020-21, envisaged the industry sector to grow by 0.1 percent during 2020-21. However, manufacturing sector recorded a high growth of 8.7 percent owing to 9.3 percent increase in LSM. Smart lockdown protocols contributed significantly in the overall better performance of the sector.

A generous incentive package for construction sector during pandemic further invigorated economic activity in construction and allied sectors. Despite below-target growth in mining and quarrying, electricity generation and gas distribution, overall industrial sector growth surpassed its target due to several policy initiatives. (Annex Table 1.11). This growth momentum is expected to be maintained through several policy initiatives such as three years' relief package for industrial sector electricity tariff, disbursement of rebate to the exporters and Textile and Apparel Policy, 2020-25 over the medium term.

Services Sector

Services sector posted 4.4 percent growth as compared to a rare contraction of 0.5 percent last year. Services sector had been worst affected by the COVID-19 owing to falling tourism revenues, lower mobility in the transport sector (air, rail, ships and road), lockdown inflicted complete cessation of trading activities, closure of education institutions, event management and community services, and major burden on financial sector due to lower interest rates.

The recovery in services sector was uneven as there were sector-specific curbs on normal activities. There were some services whose demand actually increased like health services, community service organizations, online digital content and online purchasing and product delivery. However, with the easing of restrictions on mobility, overall services sector barring transport sub-sector revived its growth to almost pre-pandemic level (Annex Table 1.1).

Investment and Savings

The investment-to-GDP ratio declined from 15.3 percent of GDP in 2019-20 to 15.2 percent in 2020-21, owing mainly to lower foreign direct investment (FDI) inflows. Volume of private sector investment increased by 6.5 percent whereas its share in GDP decreased. However, in real terms, private investment contracted marginally by 1.3 percent, mainly due to 68 percent fall in investment related to electricity & gas distribution sector due to completion of power projects under CPEC. Public sector investment inched up to 3.8 percent of GDP in 2020-21 from 3.2 percent last year, while private sector investment declined from 10.6 percent of GDP in 2019-20 to 9.8 percent in 2020-21 (Annex Table 1.12).

National Savings improved to 15.3 percent of GDP in 2020-21 from 13.6 percent in 2019-20. Pakistan's reliance on external borrowing decreased as investment needs were financed by national savings. SBP's decision to ease monetary policy during last year and maintained throughout the year coupled with various monetary and fiscal support measures are expected

to further help improve the business and investment climate in the country through availability of liquidity.

Fiscal Developments

Federal Government during 2020-21 planned to contain the fiscal deficit through enhancing revenues and controlling current expenditures. Resultantly, net revenue of the federal government grew at much faster rate than total expenditures (Annex Table 1.13). During July-March 2020-21, the growth in consolidated total revenue was realized on account of 11.5 percent growth in Federal Board of Revenue (FBR) taxes complemented by 12.7 percent growth in federal non-tax revenue.

FBR tax collection during July-March 2020-21 was 68.4 percent of the target for the fiscal year. This was 11.5 percent higher than the corresponding period of 2019-20 (Annex Table 1.14). This growth in tax collection is attributable to substantial increase in imports, growing domestic economic activity and substantial pick-up in growth of manufacturing sector. Tax collection is on target despite persistence of COVID-19 related uncertainties in the economy.

Against the full year budget deficit target of 7 percent of GDP, the deficit during first 9 months stood at 3.5 percent of GDP as against 4.1 percent in the corresponding period of last year. Primary surplus after adjusting provincial surplus stood at 0.9 percent of GDP which is higher than last year's surplus of 0.5 percent. The adjustment is contributed primarily by decrease in primary expenditures by 1.2 percent of GDP. Out of this, decrease in PSDP contributed 0.4 percent of GDP while the rest of the contribution came from decrease in non-interest current expenditure. Provincial surplus remained at the previous year's level of 0.9 percent of GDP and marginally contributed to improvement in primary balance. Federal government reduced its fiscal deficit by 0.7 percentage points.

Total debt and liabilities (TDL) stood at 95.3 percent of GDP at the end of 3rd quarter of 2020-21 as against 103 percent of GDP in the comparable period last year. TDL stood at Rs. 45.5 trillion by End-March 2021 compared to Rs.44.6 trillion at end-June 2020. This implies a 2 percent growth in 9 months which is the lowest ever growth of TDL in a single year during past 15 years. Total debt of the government grew by 1.5 percent in this period.

Monetary Developments

SBP maintained its accommodative monetary policy stance during 2020-21 by keeping policy rate unchanged at 7 percent for consecutive three quarters. Money Supply (M2) growth slowed down to 7.5 percent in the period July 1, 2020 to May 8, 2021 compared to 10.2 percent in the same period of last year whereby this growth mainly originated from Net Domestic Assets (NDA).

Significant demand for fixed investment to private sector emanated from pickup in LSM growth and improved business confidence amid accommodative monetary policy. Under fixed investment loans, manufacturing of food products and textile sectors increased their borrowing compared to last year.

Inflation

Inflationary pressures after remaining subdued for the first half re-surfaced since April, 2021. Robust measures for smoothing supply, removing market disruptions helped in reducing inflationary pressures even in the presence of accommodative fiscal and monetary policies in the first half. The headline inflation (CPI) saw a declining trend since September 2020 before bouncing back since February 2021 and reaching to 11.1 in April 2021.

The average inflation was recorded at 8.6 percent during July-April 2020-21 as compared to 11.2 percent in the comparable period of last year. Average non-food inflation remained tamed at 5.8 percent whereas, food inflation drove the surge in prices both in rural and urban areas. The global spike in the commodity markets is feeding into domestic inflationary pressures through imported raw material/finished products. The previous inflationary pressures were primarily driven by non-core components like food and energy, however, recently core component also started to feel the heat of rising import prices (Annex Table 1.15).

Core inflation hovered around 6-7 percent and spike in electricity charges is likely to fuel inflationary pressures. Supply disruption in food related commodities owing to pandemic and extended monsoon season are considered the primary reason for build-up in inflationary pressures. Both urban and rural inflation went in the double digit in April 2021. Recent evidence of spatial price differences of food items points to ongoing disruptions in supply chains.

Balance of Payments

In view of impact of COVID-19 and the underlying assumption of modest global growth, Annual Plan 2020-21 envisaged exports growth of 1.5 percent, imports growth of 1.1 percent with current account deficit to be contained at 1.6 percent of GDP. However, lower demand for imported energy, improved business environment, regionally competitive electricity prices for export-oriented firms, adoption of market-based exchange rate policy and steps taken to increase inflow of remittances helped in improving BoP situation.

Current account posted a surplus of \$0.773 billion (0.3 percent of GDP) in the first 10 months (July-April 2020-21), as compared to a deficit of \$4.7 billion in the corresponding period last year. Trade imbalance widened due to increase in imports by \$5 billion partially, which was offset by increase in exports and significant increase in remittances. Overall, the current account surplus is estimated at \$200 million in 2020-21 (Annex Table 1.16).

Exports recovered from negative impact of COVID-19 primarily due to government support for export sector that helped it to capitalize on the market share gain opportunities arising from economic contraction within the region (Annex Table 1.17). Due to lockdowns in many countries, production slowed down which resulted in shortages and increase in prices of some of the commodities at international level which led to mixed trend in price and quantum effects of selected export items (Annex Table 1.18).

The import bill of different groups like food, machinery, transport, textile, agricultural and other chemical group, metal group and miscellaneous has increased (Annex Table 1.19) mainly due to recovery of the LSM after COVID-19 shock. The price and quantum effects of selected import items showed mixed trends (Annex Table 1.20).

Labour and Employment

The size of labour force has increased by 4.6 million during 2014-2018 (equivalent to 1.4 million per annum). Approximately, half of the working-age population is out of the labour force, mainly due to very low female labour force participation (FLFP) rate and a high percentage of youth who are Not in Education, Employment, or Training (NEET) with the NEET ratio remaining at 30-34 percent between the years 2009-2018. Resultantly, youth unemployment rate is higher than the average unemployment rate. Similarly, the unemployment rate of graduates is the highest compared to uneducated and less educated

youth². Details of initiatives to impart quality skills development opportunities for the youth is presented in Chapter 2.

The pandemic adversely impacted livelihood of about 22 percent of workforce, as around 49 percent of the working population faced job loss or decline in income before recovering to 33 percent (52.6 million) after first wave of COVID-19. Overall, 49 percent of the working population faced job loss or decline in income during the COVID-19 of which the urban workers constitute 58 percent and rural workers were 43 percent³. An impact analysis of *Ehsaas* programme on income distribution and national poverty estimates is annexed to this Chapter.

Economic Outlook 2021-22

The impact of pandemic on economic activity is gradually subsiding with the vaccine roll out and economies' adaptation of new ways of working with social distancing and restrictive protocols. Global economy is projected to grow by 6 percent in 2021-22 as per IMF estimates. The government pursued a strategy of balancing between lives and livelihood as the durable and orderly way of delivering sustainable economic growth in the coming years.

Economy is expected to consolidate on the growth momentum generated during this year and a healthy growth of 4.8 percent is envisaged for 2021-22 (Annex Table 1.1). The expected revival in commodity producing sectors will complement the targeted growth in services sector. The growth targets are subject to favourable weather conditions, vaccination drive to reach maximum population and easing of COVID-19 related restrictions before the end of first half, managing current account deficit, consistent economic policies and supportive monetary and fiscal policies.

Agriculture Sector

The projected agriculture growth performance at 3.5 percent is mainly contingent upon revival of cotton production, consistent availability of water, certified seeds, fertilizers, pesticides and agriculture credit facilities. Several projects and programmes are thus envisaged to improve food and agriculture sector such as "Prime Minister's Agriculture Emergency Programme" the establishment of Food Security Information System (FSIS) and "Agriculture Transformation Plan".

Industrial Sector

Industrial sector growth turned positive after two consecutive contractions during 2018-19 and 2019-20, which was partly due to negative growth in Mining & Quarrying sub-sector. Newly introduced mining policy is expected to attract investment in the sector thereby helping in growth revival during 2021-22. Construction sub-sector benefited from the government package and grew by 8.3 percent during 2020-21. This momentum is expected to continue during 2021-22. Extension of support package for Naya Pakistan Housing initiative and higher allocations in PSDP (more than Rs 2 trillion worth of consolidated Development Plan) will provide growth impetus in the construction activities. Moreover, several initiatives that cut across numerous sectors are already under implementation to spur industrialization (Annex Table 1.21).

The broad-based revival of LSM is projected to sustain growth at 6 percent during 2021-22. The sector has idle capacity and with the 'ease of doing business' related reforms, where

² Labour Force Survey 2017-18

³ COVID-19 Impact Survey, 2020, PBS.

Pakistan's ranking improved from 136 in 2019 to 108 in 2020, this sector is projected to maintain its growth momentum. Moreover, collateral-free credit guarantee scheme for SMEs will also underpin overall manufacturing sector growth prospects. The buoyancy in construction, with spillovers in allied industries, and with the new entrants in the car industry, the overall manufacturing sector is projected to post moderate growth at around 6.2 percent in 2021-22.

Services Sector

Services sector is also expected to rebound and register higher growth with growing economic activity amid improved vaccination rollout. Services sector is targeted to grow by 4.7 percent in 2021-22 which is still lower than its five year pre-COVID-19 annual average growth of 5.3 percent. This growth is supported by 4.6 percent growth in wholesale & retail trade, 4.7 percent in transport, storage & communication, 5.2 percent in finance & insurance, 4.0 percent in housing, 4.5 percent in general government services and 5 percent in other private services. Expected revival in both agriculture and industrial sectors will complement the targeted growth in services sector

Public Sector Development Programme (PSDP)

In order to spur economic activities, size of PSDP 2021-22 has been substantially enhanced with Indicative Budget Ceiling (IBC) for PSDP 2021-22 at Rs. 900 billion and all projects proposed for next year PSDP comply with the guidelines provided under the PFM Act, 2019. Primary focus of PSDP 2021-22 is to fast-track implementation of ongoing projects with allocation of over 77 percent of resources with emphasis on social and production sectors (Annex Table 1.22).

Fiscal Policy

Fiscal policy during 2021-22 envisages containing fiscal deficit, additional resource mobilization, rationalizing current spending and switching from general to targeted subsidies while prioritizing development spending. The government's debt strategy will focus on gradual shift towards long-term debt maturity profile, zero borrowing from SBP, accessing concessional external loans and discouraging foreign commercial borrowings.

Monetary Policy

The balanced monetary policy is aimed at supporting economic growth while remaining vigilant about macroeconomic stability and aggregate demand. The challenge would be to strike a balance between growth and stability in such a way that monetary policy tools provide much needed support to economic growth while containing inflationary pressure.

Inflation

Average inflation during 2021-22 is projected at 8 percent (Annex Table 1.2) on the basis of expected adjustments in energy tariffs and transmission of high global food commodity prices and intermediate goods.

Balance of Payments

Expectations of resurgence of global commodity demand in 2021-22 and revival of economic activity after pandemic is a positive signal for international trade. However, Pakistan's exporters will be facing challenging domestic and external environment. Import demand is likely to increase due to growing aggregate demand through higher project related imports owing to upsized PSDP, but robust growth in remittances is likely to partially offset some of its impact. Resultantly, current account deficit is projected to be at 0.7 percent of

GDP in 2021-22 with projected growth of exports and imports at 6.5 percent and 9.5 percent, respectively (Annex Table 1.16).

Remittances related initiatives planned by the government include skill-upgradation, demand driven trainings, international accreditation of local institutes, negotiating better terms with the countries to accommodate Pakistani labour. Similarly, providing one-stop solution to jobseekers, employers and return migrant workers through online job portal for overseas employment, use of social media to disseminate updates on new remittance transfer products and exploring new foreign markets will also be focused. The government is considering steps for enhancing use of IT in imparting virtual trainings provided by world-renowned accredited agencies and provision of loans to overseas Pakistanis in developing markets for Pakistani products all over the world.

In order to boost FDI, Board of Investment is updating the existing investment policy to (i) focus identified priority sectors (Food & Beverages, Auto & Auto-parts Manufacturing, IT & IT enabled services, Logistics, Textile, Tourism and Housing & Construction) having investment potential and strong employment and trade benefits, (ii) bring together all provinces and departments to map, simplify, eliminate, and automate the regulatory landscape with a view to reduce the burden on the business. Establishment of “Pakistan Business Portal”, an online one stop shop is another important initiative for modernizing investment climate, (iii) promote Special Economic Zones for attracting FDI and (iv) review of bilateral investment treaties to streamline investment in Pakistan.

In conclusion, accommodative fiscal and monetary policy measures and increased public investment that aim to crowd-in private sector, will support higher investment rate in the country. Moreover, in the post-pandemic scenario, both public and private investments in pandemic-critical sectors, such as health care, medical supplies, pharmaceutical industries, communications and e-distribution are also likely to increase.

SBP’s various measures for digital on-boarding of overseas Pakistanis through Roshan Digital accounts, Naya Pakistan certificates and digital financial services will help increase foreign exchange inflows. Moreover, low interest rates and improved business climate will encourage investment. Numerous measures to improve ease of doing business are expected to boost capital formation and attract both domestic and foreign investment. Therefore, with the overall improved macroeconomic conditions, the economy is set to sustain growth momentum during 2021-22.

Economic Growth and Employment

The Annual Plan 2021-22 focuses on increasing labour force participation rate, especially the female, job creation, and promoting decent work. Accordingly, 25 percent funds are envisaged to be earmarked for female entrepreneurs under the Prime Minister’s *Kamyab* SME lending programme. The 2nd phase of CPEC is expected to create job opportunities with the establishment of SEZs. Prime Minister’s Naya Pakistan Housing Construction Initiative is expected to create approximately 2 million jobs.

An economic stimulus package will be introduced to aid SMEs for greater value addition and to support job creation in the country. There are over 5 million SMEs across the country which contribute 35 percent to GDP and employ about 40 percent of the workforce with different skill sets.

Under the Prime Minister’s “Green Growth Stimulus Package”, an additional 200,000 livelihoods are targeted during 2021-22. Establishment of a National Parks Service and support sanitation activities, including storm and flood water management, rainwater

harvesting, solid & liquid waste management and hospital waste disposal across 20 main cities of the country is expected to create significant employment opportunities.

Engagement with Development Partners and External Development Assistance

Pakistan, like other developing countries, seek to optimize a higher and impact-oriented investment rate in order to achieve higher and sustainable economic growth. In this regard, Pakistan's development partners provide knowledge advisory and financial assistance to support implementation of economic reforms that will spur sustainable economic growth. The present government priority is to underpin development partners' engagement around two key objectives: (i) achieve sustainable social and economic growth as envisioned in its development plans to reduce poverty and inequality, and to create equitable access to social services and create employment opportunities for the youth; and (ii) address the external and fiscal imbalances for enhanced macroeconomic stability.

The disbursement of Foreign Economic Assistance (FEA) remained significantly high during 2020-21 as compared with the last year. During the first ten months of current fiscal year, 83.3 percent of the budgeted amount was disbursed while it was 57 percent in the comparable period of last year. The largest sector in terms of disbursements are Energy & Power (36 percent) followed by Transport & Communication (21 percent), Agriculture (8 percent), Education (7 percent), Health (6 percent) and Physical Planning and Housing (5 percent).

During 2020, the G20 countries, together with the Paris Club creditors, had announced a Debt Service Suspension Initiative (DSSI) to provide much needed fiscal space to stressed countries in their fight against COVID-19. Pakistan also took advantage of this initiative, entered into negotiations with 21 creditor countries for debt suspension amounting to \$ 1.7 Billion. Pakistan has successfully negotiated and concluded debt rescheduling agreements with 19 bilateral creditors, including members of the Paris Club. Pakistan has benefited from the temporary suspension of debt service to official bilateral creditors, which covered \$ 2.5 billion falling due over May 2020-June 2021 (of which \$0.8 billion is related to the second round of the DSSI covering Jan-June 2021 debt service).

During 2020-21, IMF remained closely engaged with Pakistan to support stabilization programme in the context of mitigating fiscal pressures to tackle pandemic-related financing needs. The Fund approved the disbursement of \$ 1.4 billion under the Rapid Financing Instrument to mitigate the economic impact of the Covid-19 shock. It also provided \$ 500 million for budgetary support under 39 months EFF in April 2021.

World Bank, ADB, AIIB and IsDB are the major multilateral development partners who have conducted important diagnostic studies as well as formulated well-aligned medium-term country partnership strategies. Developments in Pakistan economy are closely monitored and rated by important rating agencies like Fitch, Moody's and S&P which help Pakistan in accessing capital markets.

Pakistan Water and Power Development Authority (WAPDA) successfully priced its inaugural \$ 500 million at 7.5 percent 10-year green bond offering, marking the first ever corporate transaction and first green bond from Pakistan. The proceeds of the transaction will be allocated to finance eligible Green Projects as defined in WAPDA's newly established Green Financing Framework.

Support from development partners and international financial institutions is critical to implementing government's agenda for sustained and balanced development agenda for the people.

Special Section on *Ehsaas* Interventions – Impact on Inequality and Poverty

In a mixed economy like Pakistan, inequality is inevitable owing to skewed natural endowments and opportunities for personal growth. In such circumstances, redistributive policies help in reducing income inequality. The government launched *Ehsaas* Programme with the specific objective to compensate the neglected and excluded.

Ehsaas Programme

Ehsaas, a flagship social protection programme launched by the Government, is the biggest and boldest programme ever launched in Pakistan to uplift the marginalized people. Through consumption smoothing, *Ehsaas* improves food security, help reduction in poverty and inequalities through periodic cash support directly to beneficiaries, mostly females.

Ehsaas was targeting 5.8 million households till 2018-19, which has increased to 14.83 million gradually during 2019-20 and 2020-21. The programme plans to expand its coverage to another 4 million households during 2021-22 under its second phase. It is expected that as *Ehsaas II* rolls out, 58 percent of households in Pakistan (out of 32.21 million total households as per 2017 Census) would benefit annually from distribution of money under *Ehsaas* for their uplift and reducing overall inequality.

In 2018-19, the overall spending under *Ehsaas Kafaalat* was Rs. 124 billion provided given to 5.8 million households. Under the *Ehsaas Kafaalat* programme Rs.179.3 billion was disbursed in 2020-21 to 14.83 million families. An amount of Rs.48 billion has been allocated for distribution to the marginalized households under *Ehsaas II* for 2021-22.

Impact on Income Inequality⁴

Using the Household Integrated Economic Survey (HIES) 2018-19 data the estimated Gini coefficient was 0.30275. A simulation of HIES data has been conducted by distributing equally the difference of spending in 2019-20 compared to 2018-19 on 3rd and 4th decile of HIES 2018-19 as well as simulate same by distributing Rs. 48 billion to 5th decile to see the impact on inequality.

Under *Ehsaas Kafaalat*, an amount of Rs.55.3 billion were disbursed to the distressed families during 2020-21 in addition to regular *Ehsaas* payments. Whereas the target of regular *Ehsaas* payments fall in the 1st and 2nd decile, assuming that the additional disbursements have helped those in the 3rd and 4th deciles, the additional amount has resulted in an increase in the helped average consumption expenditures from Rs. 3,902 per month to Rs. 4,437 per month for the 3rd decile and from Rs. 4,356 per month to Rs. 4,978 per month for the 4th decile. Thus, the additional amount has resulted in a reduction in inequality by 1.9 percentage points (from 30.3 percent to 28.4 percent)

The roll out of *Ehsaas II* during 2021-22 is expected to benefit the households falling in the 5th decile, to whom, an amount of Rs. 48 billion will be disbursed. It is expected that average consumption expenditure of the households falling in the 5th decile will increase from Rs.4,818 per month to Rs.5,489 per month. This is expected to result in a reduction in overall inequality by 2.3 percentage points (from 30.3 percent to 28 percent).

⁴ Income inequality is measured by Gini Coefficient that ranges from 0 to 1 (or 0 to 100 in percentage terms).

Value 0 implies completely equal distribution, while value 1 implies complete unequal distribution.

⁵ Based on Adult Equivalent method that considers adults as 1 and those under 18 year of age as 0.8.

Impact on Poverty Incidence after COVID-19

The poverty is estimated by using the latest HIES data for 2018-19⁶. National Accounts data also provides consumption trends of private households. National accounts consumption is estimated using Gross Domestic Product (GDP) data and thus, is not comparable exactly with the consumption estimates based on household survey data. However, for analyzing impact of COVID-19 on poverty, it is assumed that contraction in private consumption is mirror image of fall in household consumption. As per the National Accounts Committee (NAC) assessment, private consumption contracted by 4.14 percent in real terms in 2019-20. Mapping the impact of this contraction on the resultant incidence of poverty, the headcount is estimated to increase from actual 21.9 to 25.36 percent at national level⁷. Analysis of the data from 2004-05 to 2018-19 shows that growth in consumption expenditure estimated from HIES data and that estimated from National Accounts are significantly correlated.

Further, incorporating the possible impact of COVID-19 by subtracting Rs. 750 from the consumption of 1st and 2nd deciles, the simulated poverty headcount reaches at 25.36 percent using HIES 2018-19 data. This is due to a decline in consumption of households who are already below the poverty line of Rs.3,757.85 per month will increase the poverty gap but have little impact on the incidence of poverty.

Now, to estimate the impact of the government response of cash transfers to keep consumption afloat for lowest deciles of the household, an amount of Rs 1,000 per month is added to the consumption expenditure of each household in 3rd and 4th and again in the 5th decile. The estimates show that poverty headcount reduces to 20

percent as compared to the actual number of 21.9 percent. Thus, *Ehsaas* led initiatives are expected to have reduced poverty headcount by almost 2 percentage points. See the Table below:

Table1: CBN8 based Poverty Headcounts

Year	National (%)	Region (%)	
		Urban	Rural
2005-06	50.4	36.6	57.4
2007-08	44.1	32.7	49.7
2010-11	36.8	26.2	42.1
2011-12	36.3	22.8	43.1
2013-14	29.5	18.2	35.6
2015-16	24.3	12.5	30.7
2018-19	21.9	11.0	28.2

Source: M/o PD&SI

Area	4.14 % Decrease in Overall Consumption	Subtracting 750 from 1 st and 2 nd Decile	Now adding 1000 to 3 rd and 4 th Decile	Adding Further 1000 to 5 th Decile
	Mean	Mean	Mean	Mean
Rural	32.57	32.57	25.79	25.79
Urban	12.77	12.77	9.89	9.89
Total	25.36	25.36	20.00	20.00

⁶ No HIES survey is available after this year.

⁷ Calculations are based on the assumption that of uniform reduction in household by 4.14 percent.

⁸ Cost of Basic Needs (CBN) approach is used for poverty estimation in Pakistan

Conclusion

There is a need to look at into the drivers of poverty. The existing literature documents several factors that adversely impact poverty situation such as natural disasters, health shocks, crop failures etc. Factors affecting poverty positively include; cash transfers, better crop return owing to better pricing or volume; remittances etc. At this moment, a number of positive factors support the notion of decrease in poverty incidence. The huge transfer of money to rural areas in the shape of higher prices of crop output is expected to make a significant impact on poverty alleviation. A similar episode of higher prices of wheat happened in 2008-10 which brought unprecedented increase in consumption expenditure and reduction in poverty.

Government's response to the Pandemic and *Ehsaas* led initiatives have positively impacted the incidence of poverty and inequality and has reversed the negative impact of COVID-19 in terms of decline in overall consumption. In principle, the cash transfers are effective in reducing poverty or inequality because around 3/4th of the population surrounds the poverty line (termed as transitory poor or transitory vulnerable). Even a small cash injection can make a significant difference by reducing poverty or a shock like crop failure, which otherwise can lead to rise in poverty. COVID-19 could have had a disastrous effect on poverty situation in the absence of rapid cash support by the government.

Chapter 2 | **BUILDING CAPABILITIES FOR SUSTAINBLE GROWTH**



TELEDENSITY

JUNE 2020

MARCH 2021

78.8%
84.68%

CELLULAR SUBSCRIBERS (MLN)

JUNE 2020

MARCH 2021

167.27
183.2

3G/4G SUBSCRIBERS (MLN)

JUNE 2020

MARCH 2021

81.40
98.1 2

PRIME MINISTER'S
Kamyab
Jawan
کامیاب جوان
NATIONAL YOUTH
DEVELOPMENT
PROGRAMME

کامیاب جوان کامیاب پاکستان

**YOUTH UNDER
TRAINING IN
KAMYAB JAWAN
PROGRAM**

100,000
[2021]

**PHD STUDENTS PROCEEDED
ABROAD WITH SCHOLARSHIPS**

1171
[2021]

**PHD COMPLETION THROUGH
OVERSEAS SCHOLARSHIPS**

221
[2021]

**EHSAS SCHOLARSHIP
AWARDEES PHASE-1**

47000

**OVERSEAS AND INDIGENOUS
SCHOLARSHIPS**

CHAPTER 2

BUILDING CAPABILITIES FOR SUSTAINABLE GROWTH

Building capabilities is the key to sustaining economic growth and development. It requires sufficient investment in the sectors of information and telecommunication technologies (ICT), youth and skill development, science & technology, higher education and institutional reforms and governance. Pakistan needs to improve its productivity growth, increase the skill levels of its workforce and consequently move towards better living standard for its people. These multifarious challenges could only be addressed by widespread adoption of technology.

Sectoral unemployment is the main capability issue pertaining to youth that needs to be addressed. The reforms in technical, vocational education and training sector led to the adoption of National TVET Policy through National Vocational Qualification Framework and upgrading the Competency based Training & Assessment. However, the skill gap for some trades and geographic regions still exists, which are being addressed through upgradation of existing TVETs and establishment of new TVETs in less developed districts. Second main issue of the sector is gender equity. To exploit the full potential of youth, gender-wise equity in terms of female contribution is also being mainstreamed in the TVETs skills development programmes.

Science and Technology (S&T) Sector has vast potential to improve the standard of living of general populace as investment in this sector offers numerous cross-sector linkages. ventures in other sectors of socio-economic importance. Building knowledge-economy architecture requires investment in human resource development in S&T sector in order to make Pakistani products competitive in the international markets. The government is committed to supporting development of knowledge-economy based on three main verticals: access, quality and relevance to economic development. Although, access to higher education has increased, yet Pakistan lags behind comparable countries in this respect. The other two objectives, namely quality and relevance also need significant improvement.

Governance refers to the process and structures that are designed to ensure rule of law, accountability, transparency, responsiveness, stability, equity and inclusiveness, empowerment, and broad-based participation. The present government is cognizant of the importance of improving governance as a key enabler of effective service delivery, successful outcomes of various public policies and programmes that are critical for sustainable economic growth and development.

PSDP Performance Review 2020-21: Youth and Skill Development

Even before the COVID-19 crisis, youth in Pakistan were already in a vulnerable labour market situation as the country faces a challenge in creating sufficient productive employment and facilitating access to decent work for its increasing youth population. Limited economic growth and structural transformation, rapid population growth, low quality of education, skills mismatches, gender disparities, structural discrimination, and several issues related to accessibility are key challenges for young women and men to enter the labour market. With 63 percent of the population below 30 years, Pakistan has a large and very young population, putting pressure on the labour market and economy to create productive employment and skills for the same.

During 2020-21, an amount of Rs. 3,545.07 million was allocated for ongoing and new skill development projects/schemes including *Hunarmand* Pakistan, Skills for All Programme. More than 100,000 youth are under training through targeted training programmes. The major physical and financial achievements with respect to youth and skill development initiatives for the 2020-21 is given in Annex Table 2.1.

Other major initiatives currently in progress for Youth Skill Development include introducing Matric-TECH Pathways for integrating technical and vocational education and training and formal education, supporting improvement of livelihood and well-being of female home based workers, and establishment of “Polytechnic Institute for Boys at Skardu”. In the context of National Youth Development Framework (NYDF), which was developed on the basis of 3Es principles: Education, Employment and Engagement, the government had designed a comprehensive programme named “Prime Minister’s *Kamyab Jawan* Programme KJP”, as of now, *Hunarmand* Pakistan Programme – Skill for All and Youth Entrepreneurship Scheme (outside PSDP) are under implementation while new initiatives are under preparation.

In 2020-21, Pakistan also embarked on computation of the first ever Pakistan Youth Development Index. Alongside, nation-wide consultations and high-level policy deliberations suggested key reform interventions packages for the youth.

PSDP Planned Activities for 2021-22: Youth and Skill Development

Recognizing the power of youth in transformation change, youth development is one of the key paradigm-shifting strategies of the present government, with focus on translating youth bulge into a sizable demographic dividend. The Social Sector Accelerator at the Planning Commission is a key institutional initiative in the PSDP 2021-2022 that will facilitate the government in setting priorities, micro-profiling districts to identify gaps and design package of key reform interventions to unleash the youth potential.

In PSDP 2021-22, Rs. 5.363 billion has been allocated for three PSDP funded schemes including PM’s *Hunarmand* Skill for All programme under *Kamyab Jawan* Programme (KJP). In addition, several new youth-focused schemes are expected to become part of the KJP in 2021-22 together with instituting much more robust technologies for effective tracking of these programmes for the intended impact.

A major effort will be mounted to address overlapping mandates amongst the NAVTTC, TEVTAs and other stakeholders. To expand the scope and opportunities for imparting top trending skills (such as vocational and operational trades as per industry requirements, data science, machine learning and artificial intelligence) in international markets, NAVTTC is seeking innovative partnership arrangements to augment resources for the sector.

A diagnostic of existing capacity of TVET Institutes will be undertaken aimed at identifying effective broadening the skills scope, recognition of prior learning, double shift programmes, collaboration with universities, and public private partnerships. Further, capacity of TVET system will be enhanced incrementally by prioritizing the skills that are likely to produce the better outcomes in terms of employment and revenue generation.

PSDP Performance Review 2020-21: Digital Pakistan

As of March, 2021, there are more than 4,641 IT/ ITeS (Information Technology Enabled Services) companies registered under PSEB. Under the DigiSkills programme being executed by Ignite, till now, more than 1.5 million students have been trained in various IT courses. The total earnings by freelancers are expected to cross US\$350 million by the end of 2020-21. Besides, in the National Incubation Centres (NICs) established in 5 cities across the country, around 650+ start-ups/ incubates are developing various marketable innovative products and services.

In telecommunication sector, as of March 2021, cellular tele-density increased from 79 percent to around 85 percent. The 3G/4G broadband services further increased subscribers from 81 million to 98 million (Annex Table-2.2).

For 2020-21, an amount of Rs. 16.8 billion was allocated for IT, telecom and space technology related projects. Most of the projects are sponsored and executed through the Ministry of Information Technology & Telecommunication with allocation of Rs. 6.7 billion and its subsidiary organizations, whereas space technology projects are executed by SUPARCO with allocation of Rs. 5 billion. In addition, about Rs. 5 billion was allocated to IT related projects of various other ministries, organizations which include; the Higher Education Commission, Interior Division, Law & Justice Division, Finance Division, Defence Division, Establishment Division and Ministry of PD&SI.

Some of the major projects executed in the ICT sector during 2020-21 are: National Freelance imparted Training Programme All over Pakistan, Feasibility Study for “Establishment of National Spatial Data Infrastructure (NSDI)”, Establishment of National Centres of Excellence in Cyber Security, GIS and Space Application, Big Data and Cloud Computing, IoTs, Artificial Intelligence, Cyber Security and Robotics & Automation, Geospatial Monitoring of Major and High Value Crops and Cadastral Mapping would bring accuracy and correctness to the land records in the urban centres by conducting comprehensive survey and using technology.

PSDP Planned Activities for 2021-22: Digital Pakistan

An allocation of Rs. 13.0 billion for IT/ telecom and Rs. 7.0 billion for space related projects has been made giving high priority to projects that will add to the development of knowledge-based economy. A sizeable allocation has been made for various projects, such as the establishment of Sino-Pak Centre for Artificial Intelligence, Certification of IT Professionals, Blended Virtual Education and enhancing cellular coverage in Gilgit-Baltistan and AJ&K. Work on satellite navigation system and allied space facilities has been planned to start during the next year. In addition, multi-stakeholder innovative projects such as Development of Computer Controlled Fermenters and Production of Bio chemicals & Bioproducts would act as harbinger initiatives for the agriculture sector, pharmaceutical / drug production, health and nutrition sector and thus help in building an indigenous base for high-tech industrial manufacturing facilities.

Digitalization and improved usage of automated systems in the government departments will ensure better delivery of public services in health sector, education, agriculture, and other sectors of the economy. Furthermore, introduction of crime analytics and smart policing as well as smart office concept in federal government departments would help in creating ‘future of work’ environment.

Other initiatives, such as; Raising Smart Capital through private trading market and Establishment of 25 STPs-Phase 1 with an allocation of Rs 605 million would provide impetus for increasing IT exports, further boost the entrepreneurial ecosystem as well attracting foreign investors and big companies to setup facilities and invest in the IT sector. Thus, these initiatives together will lay a strong foundation for sustainable growth in the coming years in terms of increased software exports, job creation, and contribution to GDP.

PSDP Performance Review 2020-21: Building Knowledge-Economy

An amount of Rs. 4,458 million was allocated to Ministry of Science & Technology in PSDP 2020-21 for 25 on-going projects and 7 projects recommended by the Prime Minister's Task Force on S&T. So far, Rs. 340.678 million have been released and utilized. It is envisaged that 08 projects will be completed by June, 2021.

The major initiatives in S&T sector during 2020-21 include capacity building and HRD and upgradation of overall R&D infrastructure of labs/facilities. Establishment of Precision Systems Training Centre (PSTC) and PCSIR Laboratories at Gwadar, Balochistan, are underway. Upgradation of Polymers and Plastics Laboratory at PCSIR Laboratories Complex, Lahore have been purchased. Industry Focused R&D is the major focus at Pakistan Council of Scientific and Industrial Research (PCSIR) with a network of 17 research laboratories/units including 06 training institutes located all over the country. As per directions of the Federal Cabinet, PCSIR prepared and submitted a proposal for use of poppy for medicinal purposes. Ministry of Science and Technology forwarded a list of 14 chemicals to PCSIR with directions to see possibility of producing these chemicals locally to save huge import cost.

Trade-related interventions are being undertaken through Pakistan Standards and Quality Control Authority (PSQCA), Pakistan National Accreditation Council (PNAC) and National Physical and Standards Laboratory (NPSL). PNAC has granted accreditation to many laboratories and agencies. In Health Sector, a project titled 'Establishment of Centre for Advanced Technologies in Biomedical Materials' is under implementation at CUI Lahore Campus. In the Nano Technology Sector, a project titled 'Establishment for Industrial Production of Nanomaterials in Latif Ebrahim Jamal Nanotechnology Centre' is being undertaken and a building of Nano-technology Centre is fully functional.

Under PSDP 2020-21, an amount of Rs. 29.470 billion was allocated to HEC for implementation of 144 development projects of Public Sector universities/HEIs (Annex Table-2.3).

During July-March 2020-21, an amount of Rs. 20.504 billion (around 73 percent of the rupee allocation) was released to HEC /public sector universities /HEIs which was utilized for activities like construction of new academic buildings, strengthening of ICT infrastructure, faculty development, procurement of laboratory equipment and other approved components.

To enhance equitable access (up to 10 percent or more) to quality higher education, the total number of universities in the country both in Public Sector & Private Sector has been increased to 224 and the number of sub-campus has been expanded to 121. For quality of higher education, there are 209 Quality Enhancement Cells at universities. For human resource development, various scholarships are being offered to students as well as teaching faculties. Major details are given below:

- **Overseas Scholarships:** A total number of 1,171 scholars proceeded abroad for their PhD studies and 221 completed their studies during 2020-21. In addition, 378 scholars

have been awarded a 6-month PhD research fellowship abroad under International Research Support Initiative Programme (IRSIP) during this period.

- **Indigenous Scholarships:** A total number of 3267 indigenous scholarships were awarded for Under-Graduate; Post-Graduate and PhD studies under various schemes and 550 scholars completed their studies during 2020-21.
- **Need Based Scholarships:** A total number of 1,835 needs-based scholarships were awarded during 2020-21 under different need-based programmes whereas 3,347 scholars completed their studies.
- **Capacity Building Component:** USAID-funded Merit & Needs-based Scholarship Programme also has a component of capacity building which organizes career path workshops for its scholarship beneficiaries. 3,957 Scholarship Beneficiaries of thirty (30) partner institutions trained under various career path workshops to improve their employability. 280 Scholarship Beneficiaries trained in 10 workshops during 2020-21.
- **Post-Doctoral Studies:** A total number of 100 Scholars were selected under this scheme.
- **Ehsaas undergraduate scholarships:** 8,275 slots are approved for *Ehsaas* UG Scholarship Phase II for 2020-21; the Selection process at 129 HEIs is underway which is expected to be completed by May 2021. Funds to 47,000 awardees of *Ehsaas* UG Scholarship Phase-I has been released.

Moreover, under Faculty Exchange Programme, 4 Faculty members were selected from Pakistan during 2020-21. Under HEC Approved Supervisor's Programme, 1,849 PhD approved supervisors were awarded during 2020-21. Under Research & Development initiatives, HEIs are being motivated to make research a top priority for a sustainable economic growth and future knowledge economy. A number of research activities have been undertaken which will have a direct impact on community wellbeing and economy of the country.

PSDP Planned Activities for 2021-22: Building Knowledge-Economy

During 2021-22, the major developmental focus would be mainly in the following areas: Human Resource Development (HRD), Nano-Technology, Quality Assurance and Standards, Halal Accreditation, Medical Devices & Health, Electronics & Automation and Herbal Medicines.

One of the highlights of the next year PSDP will be projects recommended by Prime Minister's Task Force on S&T. Some of these projects have specific objectives to boost knowledge economy. Some of the ongoing projects of Task Force are in advanced stage of completion. These include projects relating to development of Bio-Materials, use of Artificial Intelligence in Health Sector and developing products related to Industrial Biotechnology. New projects relating to Gene Editing, Industry Research Centre Collaboration, Failure analysis and patent support will provide key ingredients of developing knowledge economy.

Science Talent Farming Scheme (STFS) is one of the flagship schemes of MoST that focuses on creating S&T manpower for future. Under this ongoing scheme, more student batches would be selected for award of scholarships.

The innovative activities and entrepreneurship culture in talented youth will be supported by providing challenge funds to youth, researchers and academia in a competitive environment.

In this regard, MoST has been implementing Competitive Research Programme. Through this programme, research grants will be provided to address the mega national issues and promote world class research.

Young students need good base in Science, Technology, Engineering and Mathematics (STEM) to become good scientists. To identify and facilitate the intelligent and science-oriented students, MoST is launching STEM at school and college levels in Pakistan. This will enable the students to achieve their goals in their field of interest.

Awareness among SMEs for adoption of certification systems to help for improving their performance and productivity would continue to be undertaken under the Certification Incentive Programme. Under the scheme, awareness seminars in association with local Chambers of Commerce & Industry will be arranged throughout the country, as and when required in order to maximize the receiving number of applications by SMES for grant of Incentive Awards.

Under Halal Accreditation, efforts by PCSIR will be made to create awareness in Pakistani manufacturers, exporters and traders regarding Halal Standards to build international credibility as well as create Halal testing laboratory facilities.

An amount of Rs 8,341 million has been allocated to Ministry of Science & Technology for its development projects. This will include Rs 3,490.76 million for projects of Ministry of Science & Technology while Rs 4,851.23 million will be provided for projects suggested by PM Task Force on Knowledge Economy.

An amount of Rs 37.3 billion will be provided for development projects of higher education sector. In addition, funds amounting to Rs. 5.15 billion will also be provided for projects under special packages for Southern Balochistan, Gilgit Baltistan and Interior Sindh (Annex Table 2.4).

The largest ongoing programme for local undergraduates is *Ehsaas* Undergraduates that provides 50,000 scholarships per annum. In the next year, under knowledge economy vertical, an important project is planned for advanced skill development in priority technology areas for top scholars in top 100 global universities. The target for 2021-22 in respect of overseas scholarships, indigenous scholarships and need based scholarships have been fixed as 684, 2,171 and 2,490 respectively. The target for 2021-22 is to train 300 needs-based scholarship beneficiaries in 10 workshops. The target for 2021-22 is to award 200 Postdoctoral fellowships. Under *Ehsaas* scholarships, 12,000 (tentatively) new scholarships will be awarded.

PSDP Performance Review 2020-21: Institutional Reforms to Transform Governance

The present government has undertaken a number of initiatives to improve and transform governance during the year. An amount of Rs 4.8 billion was allocated in PSDP 2020-21 for governance related development initiatives against which an amount of Rs. 7.25 billion has been utilized due to availability of additional funding in FEC component. The sectoral reforms initiated during 2020-21 include the following:

Judicial System Reforms: Legislation on Alternative Dispute Resolution (ADR) System has been introduced in Islamabad Capital Territory. To strengthen the Ombudsman's system of administrative justice, on-line Complaints Management Information System (CMIS) has been upgraded including the expansion of data centre and raising the capacity of data warehousing

of MIS. The automations of Federal Courts have been launched to introduce Case Flow Management System (CFMS). To facilitate litigants and public, a comprehensive training Programme for officers / staff of all federal and district courts has been implemented. To reduce administrative cost, trials through video conferencing between jails and courts have been initiated.

National Security, Law & Order and Police Reforms: National Security Division organized Pakistan's first ever security dialogue in Islamabad, aiming at unveiling Pakistan's new strategic direction based on a comprehensive National Security Policy framework. To enhance economic security and increase exports, Economic Outreach and Additional Exports Analysis was conducted under the Prime Minister's Economic Outreach Initiative.

A regime to cater for FATF recommendations for combating money laundering and terrorist financing has been introduced for capital market intermediaries through implementation of the Securities & Exchange Commission of Pakistan (SECP) Anti-Money Laundering Regulations and Guidelines. New legislation and amendments in relevant laws including amendments in several clauses of Anti-Money Laundering Bill, Anti-Terrorism Act (Amendment) have been introduced as well as capacity of Federal Investigation Agency (FIA), Police and National Accountability Bureau (NAB) have been strengthened. Seven police stations in Islamabad Capital Territory have been upgraded as model police stations.

Revenue Reforms: Federal Board of Revenue (FBR) has taken a number of initiatives to facilitate tax payers by reducing human interaction, simplification of tax filing processes, integrity management and enforcement of tax code. To broaden tax base, data has been gathered from different departments in financial services sector to ascertain 360-degree information of tax-payers. An MoU has been signed with NADRA and similar arrangements are being extended to other agencies for third Party data integration. A dedicated portal (*Maloomat* Tax Ray) has been launched to provide information to tax-payers about their assets and withholding deductions.

The Audit Management, Prosecution, Appellate and Alternate Dispute Resolution Systems have been strengthened. The Anti-Smuggling and Confiscation of goods portal has been enabled for data collection and analysis. To discourage tax evasion, Financial Investigation Cell has been established, and campaign against tax evaders has been launched. Whistle blowers drive has been initiated to trace tax evaders. Integrity and Performance Management Unit has been established to address corruption related complaints against officials.

Advanced ICT based operations in revenue departments have been introduced under the Transformation Roadmap of the government. A programme titled "Pakistan Raises Revenue Project-IPF Component" has been launched at federal and provincial level with the financial support of the World Bank. A project titled "Pakistan Single Window (PSW)" has been launched to reduce barriers to cross-border trade. Another project titled "Development of Integrated Transit Management System under ADB Regional Improving Border Service" is being implemented to facilitate trade at Torkham, Chaman and Wahga Border Crossing Points.

Public Financial Management and Regulatory Reforms: All steps are being taken to implement Public Financial Management Act, 2019 in letter and spirit. In compliance with PFM Act, the system of delegation of financial powers to the line Ministries/Divisions has been introduced. Issuance of a one-line indicative budget ceiling to each Principal Accounting Officer (PAO) has also been established. The requirement of clearance procedures by the Budget Wing of the Finance Division has been eliminated.

A revised system of Assignment Account procedure has been introduced. The PAO is now empowered to approve re-appropriation within approved budget and to open Assignment Accounts for various projects/entities under his control. The upfront release process of development funds has been introduced by abolishing ways and means process. The PSDP funds are being released to the ongoing approved projects of Ministries/Divisions during the first week of each quarter without originating demand by the PAO. The FA Organization has been abolished and a makeshift arrangement has been introduced till the finalization of introduction of a Chief Finance and Accounts Officer system.

The Auditor General of Pakistan (AGP) has initiated automation of the whole auditing system by establishing “Audit Management Information System (AMIS)”. The concept of Specialized Audit Unit is being introduced by engaging qualified staff such as ACCA and ICMA professionals. To ensure independence and autonomy of AGP, draft Act has been approved by the Cabinet. The SECP has undertaken major reforms to rejuvenate capital market and promote Ease of Doing Business. The Commission has revamped numerous regulatory regimes and removed bottlenecks by focusing on digitalization and automation.

To encourage regulatory compliance, the Competition Commission of Pakistan (CCP) has prepared and released Guidance for Promoting Fair Competition Regime. An advocacy strategy has been developed for increasing the awareness of all stakeholders, including the public and private sectors, the legal community, academia, media, and the Government departments.

Other Institutional and Structural Reforms: The Federal Cabinet has approved a number of reforms to improve the service delivery in the public sector. Some of the reforms approved by the Federal Cabinet during the year are at the implementation stage, while others are at various levels of progress, as explained below:

- The federal government entities have been reduced from 441 to 324 and the configuration of entities has been reduced from 16 different kinds to three i.e., Executive Departments, Autonomous Bodies and Constitutional Bodies.
- Under E-Governance initiative, all Ministries have achieved Level-2 of the automation.
- A new MP Scales Policy has been notified in order to attract the best talent and most competent individuals from the private sector for senior leadership positions in the Federal Government. A Cabinet Committee has been formed to review and convert erstwhile existing BPS posts into MP and SPP Scales posts. Government servants have been allowed to compete and serve on MP positions by taking leave from their service.
- A comprehensive restructuring plans of Pakistan Railways and PIA have been approved / initiated by the Federal Cabinet.
- SOEs Triage: Reforms and Way Forward was approved by the Cabinet for implementation of SOEs (Governance & Operation) Act, 2021 was enacted.
- The Cabinet has approved the splitting of tenure of MCMC and NMC trainings into two parts i.e., general/administrative training conducted by National Institute of Management (NIMs) and specialized training by the respective Specialized Training Institutes (STIs).

- To evaluate the performance of ministers against the agreed goals and objectives, the Prime Minister has entered into an Annual Performance Agreement (2020-21) with Ministries / Divisions. Reviews of two quarters already, Ministries perusing focused targets.
- For devolved development at grass roots level, reforms in local governance regimes through relevant amendments in governing laws of local governments have been made by provincial governments. The Punjab Local Government (Third Amendment) Ordinance, 2021 and the Punjab Commission for Regularization of Illegal Housing Schemes Ordinance, 2021 have been promulgated. The Provincial Finance Commission award is being reviewed to provide maximum resources to the local governments.

Public Information and Statistical Management: Sustainable Development Goals Support Units (SDGSUs) are working at federal and provincial levels to provide support in various matters pertaining to SDGs. Pakistan Bureau of Statistics (PBS) has established a dash board to support evidence-based policy making process. PBS compiled Gross Domestic Product (GDP)/ Gross National Income (GNI) at current and constant prices by industrial origin for the years 2017-18, 2018-19 and 2019-20. Paper based data collection has been shifted to paperless or electronic data collection and monthly/weekly price data is being collected/processed and disseminated electronically.

Work on different census/surveys/studies as part of rebasing of National Accounts from 2005-06 to 2015-16 including Census of Manufacturing Industries (CMI) is also in final stages. The project titled “Upgradation of Rural Area Frame for the Conduct of Census/Survey” has been revised to develop data base by collecting and digitizing user-friendly rural area frame. Report on Mouza Census 2020 has been finalized. Pakistan Standard Living Measurement Survey district level report for 2019-20 has been published which provides information on 19 SDG indicators at district level. Survey of Pakistan is undertaking digital mapping of urban and public land under celestial survey initiative.

The Council of Common Interest (CCI), in its 45th meeting held on 12th April 2021, approved the **Final Results of Sixth Population & Housing Census-2017**. According to the Census-2017 results, Pakistan’s population stood at 207,684,626, which denotes average annual growth of 2.4 percent since the last Census in 1998. The urban share in the Census-2017 is 36.4 percent. For successful conduct of next Census, the government constituted a Sub-Committee, under the Deputy Chairman, Planning Commission on 29th December 2020 January, 2017 and comprising of renowned Demographers and Experts. The Sub-Committee mandate is to examine census process, data collection and field operation, methodologies used for 2017; to compare globally adopted Census questionnaires and proposal for improvement in census processes and to recommend data collection (manual/electronic) for provision of timely and credible results.

Governance Reforms in Provinces: Government of the Punjab has developed five-year governance reform agenda assisted by the World Bank to improve service delivery and citizens’ satisfaction with public services. The Punjab Public Management Reform Programme (PMRP) has worked on key interventions of Improving Citizens Access to information and Public Services, monitoring and improving performance of public services and improving public resource mobilization and better expenditure management. The Government of Punjab has made significant progress in Public Financial Management (PFM) reforms. Other initiatives of the Punjab Government include Citizen Budgets, Management

Information System, Punjab Resource Improvement and Digital Effectiveness (PRIDE) Programme, Punjab Cities Programme and Sub-National Governance Programme (SNGP).

The Government of Sindh has established specialized units i.e., Economic Reforms Unit, Tax Reform Unit, Debt Management Control Unit and Information Management Unit. To address the Right of Information of the public, a website of the Finance Department with interactive dashboard has also been developed. To meet future challenges, Finance Department has revamped its IT infrastructure by facilitating SAP access to other departments and providing necessary hands-on training as a capacity building initiative. In addition, a new state-of-the-art data centre employing the latest high-end facilities has also been established. A project titled “Competitive and Liveable City of Karachi Project (CLICK)” has been launched, which envisaged to improve the performance of Karachi Local Councils and agencies in urban management, financing and service delivery and to improve the business environment for private sector development in Karachi.

The Government of Khyber Pakhtunkhwa has formulated specific strategies and action plans to improve governance and efficient service delivery. A three-year Accelerated Implementation Programme (AIP 2020-23) focuses on the provision of better infrastructure facilities and improved public services to address the key developmental gaps in the merged areas. For the first time, sector-wise Annual Development Plan has been devised and implemented with allocation of Rs 83 billion in merged districts. The Khyber Pakhtunkhwa and federal governments have allocated their shares of NFC for the tribal districts as per commitments. Moreover, initiatives have been taken for better service delivery, digitization and automation of official business and financial reforms. Other key achievements include increase in revenue by Khyber Pakhtunkhwa Revenue Authority (KPRA), initiation of “Khyber Pakhtunkhwa Spending Efficiently for Enhanced Development (SPEED)” programme and formulation of Sustainable Development Strategy (SDS).

The Government of Balochistan took various initiatives including implementation of Governance & Policy Project (GPP), establishment of Performance Management Cell, Rule of Law Roadmap, constitution of Balochistan Regulatory Reform Committee (BRRC) and capacity building of government officials.

PSDP Planned Activities for 2021-22: Institutional Reforms to Transform Governance

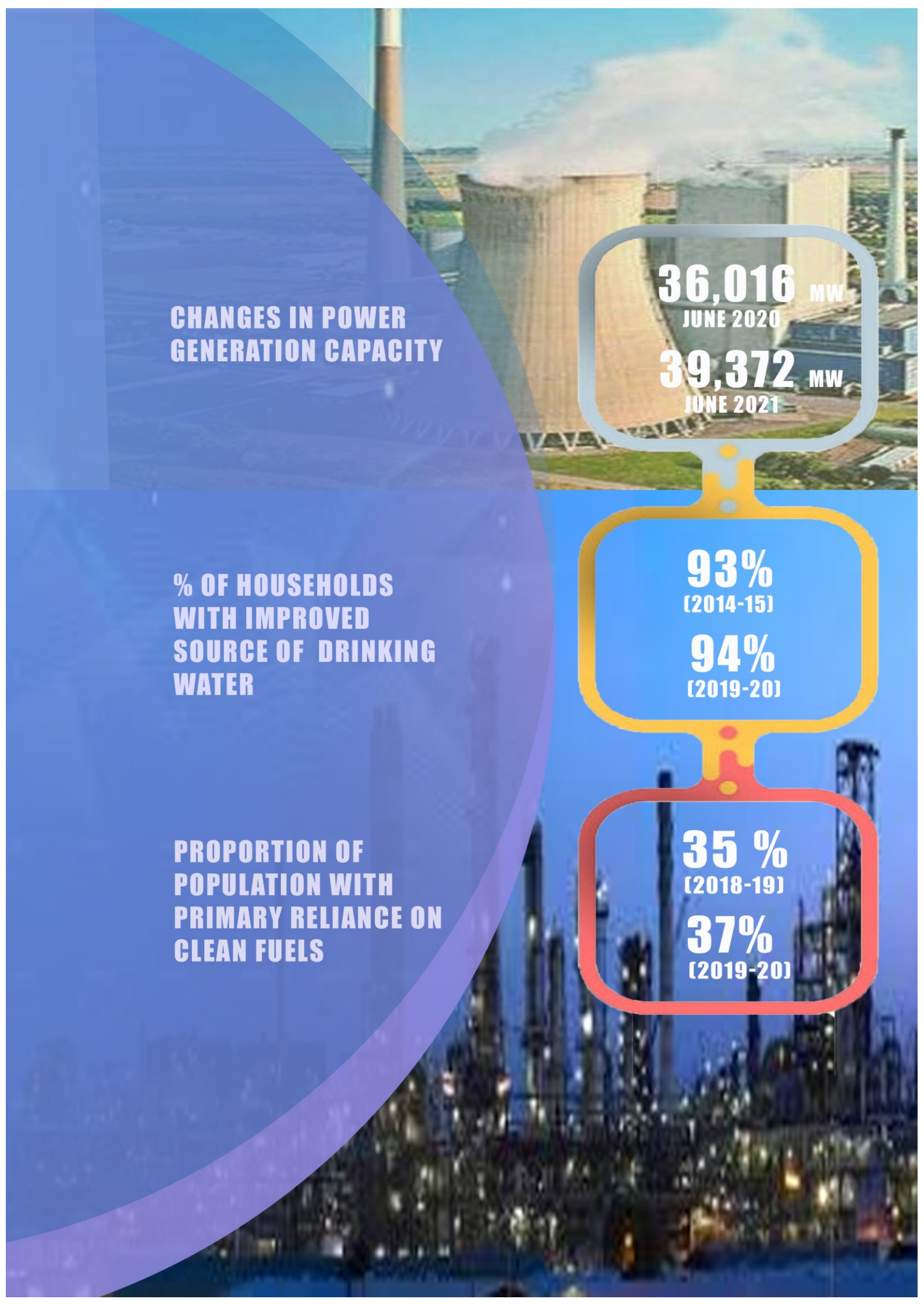
An amount of Rs.8.0 billion including foreign aid of Rs. 1.7 billion has been proposed for the governance sector in 2021-22. The allocation indicates an increase of 6 percent over the last year’s allocations. In order to accomplish the reform agenda, investment will be made on the activities relating to innovation, capacity enhancement, improved performance management, public financial management and public sector restructuring and reforms for improved service delivery including regulatory framework and reliable statistics during year 2021-22.

E-governance will remain special focus of the reforms for time-bound delivery of public services. Governance mechanism among federal and provincial levels to facilitate and coordinate collective measures will be strengthened to manage emergent crises including pandemics. Border Control Management System will be strengthened to reduce illegal border crossings as well as flow of immigrants. The ongoing programmes at federal and provincial levels will be continued during the plan period and new projects for strengthening institutions will be initiated for effective public service delivery.

Chapter 3

MODERNIZING INFRASTRUCTURE FOR GROWTH ACCELERATION





The infographic features a background image of an industrial facility with large cooling towers emitting steam. A large blue curved shape on the left contains the category headers. On the right, three callout boxes in light blue, yellow, and red provide specific data points. The top blue box shows power generation capacity increasing from 36,016 MW in June 2020 to 39,372 MW in June 2021. The middle yellow box shows that 93% of households had improved drinking water sources in 2014-15, rising to 94% in 2019-20. The bottom red box shows that 35% of the population had primary reliance on clean fuels in 2018-19, rising to 37% in 2019-20.

CHANGES IN POWER GENERATION CAPACITY

36,016 MW
JUNE 2020

39,372 MW
JUNE 2021

% OF HOUSEHOLDS WITH IMPROVED SOURCE OF DRINKING WATER

93%
[2014-15]

94%
[2019-20]

PROPORTION OF POPULATION WITH PRIMARY RELIANCE ON CLEAN FUELS

35 %
[2018-19]

37%
[2019-20]

CHAPTER 3

MODERNIZING INFRASTRUCTURE FOR GROWTH ACCELERATION

Adequate provision of infrastructure is necessary for productivity and growth. Modern infrastructure helps accelerate growth and improve redistribution of income while efficient infrastructure augments economic growth by reducing transactions costs, increasing durability of capital goods, fostering trade, investment, diversification and achieving economies of scale and scope⁹. The government is, therefore, committed to invest in quality infrastructure to deliver efficient and affordable infrastructure for industrial competitiveness and inclusive development.

Building Sustainable Energy Infrastructure

Economic and social development of a country depends on affordable and reliable energy supply. SDG 7 aims at delivering affordable, reliable and universal access to energy. Increasing share of renewable energy in the energy mix and improving energy efficiency are also included in the SDG targets. A multi-faceted approach is needed to address the challenges in the energy sector. In the gas sector, Exploration and Production activities need aggressive support to enhance the domestic oil/gas supply at an affordable rate. Further, there is need to check system losses and Unaccounted for Gas (UFG) in the gas distribution network. Industrial consumption of natural gas for captive power generation needs to be discouraged to enhance the utilization of power grid.

PSDP Performance Review for 2020-21 and Planned Activities for 2021-22: Greening the Power Sector

Generation System

Energy mix for power generation will need to gradually move towards domestic coal, renewable and hydropower resources, as the least cost and sustainable option (Annex Table 3.1). In the next few years, more focus will be required in improving the electricity transmission and distribution (T&D) networks. Management turnaround of DISCOs and performance improvement in power distribution would be a key in establishing a sustainable energy sector.

Power generation capacity has improved by 9.3 percent in 2021 and additional 15.2 percent growth is planned during 2021-22. Last two columns of the Annex Table 3.1 show that due to resultant changes in energy mix, country's reliance on imported fuel will significantly decrease and increased proportion of local and sustainable fuels will lower the cost of generation as well. Details of power sector allocations and initiatives can be referred at Annex Table 3.6, some are briefly highlighted below:

- Policy for the development of Alternate and Renewable Energy (ARE 2019) has been approved by the Federal government which states that the guiding principles and incentives for increasing the share of ARE in generation. ARE Policy will be extended

⁹ UNCTAD (2013), "Supporting infrastructure development to promote economic integration: the role of the public and private sectors"

to GB and AJ&K and will be implemented on fast-track basis across the country to increase the share of renewables as per the targets envisaged in the policy.

- All the future projects will be governed by Integrated Generation Capacity Expansion Plan and least-cost principle for generation prioritisation.
- All inefficient and loss-making power plants of state-owned GENCOs of low efficiency need to be closed in phases and only efficient power plants should run on merit.
- Competitive market to be established from single-buyer model to multi-player model. In this regard, the regulator i.e. NEPRA will be made capable of managing a competitive, multi-player market.
- Power dispatch will be done by the National Power Control Centre in consultation with Central Power Purchasing Agency (Guarantee) in a transparent manner under the active watch and directives of the regulator.

Details of additional installed capacity during 2020-21 is given in Annex Table 3.8.

Transmission System

- Private sector participation in transmission system will be encouraged.
- PPIB will prepare and publish list of projects to be offered to private sector every year in line with Indicative Generation Capacity Expansion Plan (IGCEP) approved by NEPRA.
- The capacity of NTDC will be enhanced to immediately implement Supervisory Control and Data Acquisition and construct /operate High Voltage Direct Current transmission lines. Land Acquisition Acts will be reviewed and amended in consultation with the stakeholders.
- Right of way / land acquisition issues in the implementation of generation, transmission and distribution sector projects will be addressed with the support of concerned provincial government.

Details of achievements and targets for transmission sector is given in Annex Table 3.7.

Distribution System

- Placement of independent board of directors; exploring the option of outsourcing of DISCOs management functions/ operations without ownership transfer; and exploring area franchising structure for improvement in DISCOs efficiency with a clear transaction structure.
- Induction of experienced personnel at all levels on merit to be made sufficiently independent in decision-making process.
- The rehabilitation of existing distribution network of DISCOs is needed to overcome the losses and poor service delivery issues. Proper implementation and tracking of Energy Loss Reduction, Distribution of Power & Secondary Transmission Grid projects across DISCOs will be ensured by enhancing capacities and /or considering outsourcing of operations and maintenance.
- Roadmap for privatization of DISCOs will be finalized by Privatization Commission in consultation with all stakeholders.

- Distribution network for GB and AJK DISCOs will be established at par with the other DISCOs currently functioning in the country.

Review of power distribution companies performance for year 2020-21 in Annex Table 3.5.

Energy Efficiency & Conservation

National Energy Efficiency and Conservation Authority (NEECA) has been established under the National EE&C Act of 2016, as the sole federal authority for initiating, catalysing, carrying out and coordinating the implementation of all energy conservation programmes in all sectors of economy. The Authority is working on the projects of Building Codes, Electric Vehicles and appliances efficiency. NEECA is also preparing National Energy Efficiency and Conservation Policy with the consultation of all stakeholders, which will serve as the guiding principle and provide roadmap for energy efficiency and conservation measures.

Energy Initiatives under CPEC Framework

Six (06) energy projects with an installed capacity of around 3,584 MW are currently under construction, of which 720 MW Karot hydropower project is expected to be completed during 2021-22. Lahore-Matiari Transmission Line project is also under implementation and expected to start commercial operations during 2021-22. The project has the capacity to evacuate up to 4,000 MW of electricity. In addition, physical work on the 1,124 MW Kohala and 700 MW Azad Pattan Hydro Power Projects is expected to start in 2021-22.

PSDP Performance Review for 2020-21: Investments in Fuel Sector

The oil & gas exploration and development activities have undertaken by the private sector E&P companies outside PSDP funding. Similarly, the gas transmission & distribution activities are also undertaken by Genco's at their own through OGRA tariff. However, lab testing and gas supply schemes to SEZs are included in PSDP 2020-21 and 2021-22 as a special case due to prioritized economic zones under CPEC for enhancing industrial development.

- During 2020-21, the production of crude oil was 27 million barrels against target of 30 million barrels. The domestic production of natural gas was 1.2 trillion cubic feet (TCF) against target of 1.43 trillion cubic feet. The local LPG supplies has been 753,051 tons.
- A total of 28 wells (13 exploratory and 15 development) were drilled against target of 80 (44 exploratory and 36 development). (Annex Table 3.10).
- To enhance the exploration activities in the country, 6 new exploration blocks (Killa Saifullah, Sharan and Suleiman Blocks in Balochistan, Sujawal Block in South Sindh, and Jhelum, Lilla Blocks in Punjab) have been awarded to E&P companies through competitive biddings.
- The award of new exploration blocks is expected to add new hydrocarbon reserves over the next few years and bridge the oil / gas demand supply gap in the country. The execution of new exploration licenses with the operators will also enhance investment in the petroleum sector.

Liquefied Natural Gas (LNG) Import

- To meet the gas demand supply gap during 2020-21, against the targeted import of 7 million tons of LNG, 8.1 million tons is estimated to be procured by June, 2021. Out

of the total import, PSO handled 4.5 million tons, whereas Pakistan LNG Ltd. (PLL) handled 3.6 million tons of LNG.

- To supplement the existing capacity of the LNG terminals for catering additional LNG imports, OGRA has awarded marketing licences to two companies i.e. Energas and Taber Energy to carry out regulated activity of sale of natural gas/ Re-gasified LNG to the consumers for a period of 10 years.
- Energas Terminal is in the process of setting up its own LNG terminal at Port Qasim from which the RLNG would be supplied to customers. Whereas Taber has targeted to make its terminal operational in first quarter of 2023. In addition, an optimization plan is being implemented to improve capacity utilization of existing two LNG terminals.

Gas Consumer Addition and Pipelines Construction

Both the gas utility companies i.e., Sui Northern Gas Pipeline Limited (SNGPL) and Sui Southern Gas Company Limited (SSGCL) added 332,893 new consumers and 3,540 km transmission and distribution pipelines against target of 7,497 km which reflects 47.21 percent achievement. The shortfall is attributed to non-approval of expansion in transmission and distribution network by OGRA (Annex Table 3.8).

Projects of SNGPL

- **Lahore City Augmentation:** Phase-I of the project at a cost of Rs. 3,424 million by laying 26 km transmission pipeline from Ferozepur to Barki has been completed.
- **Rashakai Special Economic Zone:** The project at a cost of Rs.1,203 million funded through PSDP is to provide 30 MMCFD gas by laying of 29 km pipeline from Ismail Kot to Rashakai Special Economic Zone. Detailed survey and engineering has been completed. Delivery of pipeline has commenced since January 2021. So far, 17 km pipeline has been constructed at site which is expected to be completed by December 2021.
- **Bahawalpur System Augmentation:** The project at a cost of Rs.1,931 million envisaging transmission of 29 km pipeline from Khairpur Daha to Bahawalpur along with upgradation of SMS Bahawalpur up to 100 MMCFD capacity is under implementation and expected to be completed by June, 2021.
- **Chiniot to Pindi Bhatian:** The project estimated to cost Rs. 2,142.041 million envisages provision of 10 MMCFD gas from Chiniot to Pindi Bhatian by laying of 25 km transmission pipeline has been completed.

Projects of SSGCL

- **Dhabeji Special Economic Zone:** The project at an estimated cost of Rs. 427.88 million funded through PSDP for supplying 13.5 MMCFD gas to Dhabeji Special Economic Zone by laying 9 km pipeline is under implementation. 50 percent funds allocation under the PSDP has been disbursed to SSGCL up-to Dec 2020. Detail engineering route survey and engineering design has been completed.

PSDP Planned Activities for 2021-22: Investments in Fuel Sector

Domestic crude oil and natural gas production targets are set at 29 million barrels and 1.47 trillion cubic feet, respectively. The gap in indigenous gas and petroleum products will be supplemented through LNG and POL imports.

Gas Transmission and Distribution Projects Projects of SNGPL

- **Gas supply to Rashakai Special Economic Zone:** The project implementation for laying the remaining 12 km pipeline will be carried out for supplying 30 MMCFD gas to Rashakai Special Economic Zone. The project is expected to be completed by the end of December, 2021.
- **Gas supply to Allama Iqbal Industrial City Special Economic Zone:** The project costing Rs.785 million funded through PSDP is meant to provide 40 MMCFD gas by laying of 20 km pipeline from Chiniot to terminal Point of the Allama Iqbal economic zone. The pipeline construction is expected to commence in the first quarter of 2021-22. However, in order to supply 5 MMCFD gas to Allama Iqbal Industrial City on temporary basis, 2 kms main supply line has been laid and commissioned by extending the existing network of M-3 Industrial City.
- **Charsadda-Khazana-Tangi Pipelines:** In order to address the acute low gas pressure issues during winter season in Mardan and Peshawar regions, a project at an estimated cost of Rs. 2,296 million will be launched for system augmentation of transmission Charsadda-Khazana- Tangi pipeline.
- **Lahore City Augmentation Project Phase-II:** Phase-II of the project at a cost of Rs. 2,363 million for laying of 22 km transmission mainlines from Barki to Sunder and 10 km supply from Dial to G.T Road is expected to be completed by December, 2021.

Projects of SSGCL

- **Bin Qasim Industrial Park, Karachi:** The project at a cost of Rs.149.41 million envisaging supply of 13 MMCFD gas to BIQP has been approved by DDWP. The construction of 3.5 km pipeline is to be started by providing funds in PSDP 2021-22. The project is expected to be completed within 18 months.
- **Bostan Special Economic Zone, Balochistan:** The project at a cost of Rs.731.447 envisaging supply of 10 MMCFD gas to Bostan Special Economic Zone Balochistan has been approved by DDWP. The construction of 8.7 km pipeline is to be started by providing funds in PSDP 2021-22. The project is expected to be completed within 18 months.
- An amount of Rs 2.84 billion including Rs 1.9 billion for the SEZs has been allocated to Petroleum Division for their fuel sector projects. Details are given in Annex Table 3.12.

PSDP Performance Review for 2020-21: Reversing Water Scarcity

Pakistan is a water stressed country. Efficient use of water is an important requirement for provision of safe drinking water, sustainable agricultural and industrial needs. The existing strategy, “Integrated Water Resources Management (IWRM)” recognizes the need to introduce appropriate policy measures, institutional reforms and knowledge-based interventions to make water infrastructure and management system more efficient and sustainable.

One of the major objectives of the National Water Policy 2018 is to enhance the water storage capacity of Pakistan by adding 10 MAF. At present, water storage capacity of Pakistan is about 13.68 MAF for 30 days. In order to overcome water scarcity issue of Pakistan and to enhance

storage capacity, two major storage dams Diamer Basha and Mohmand Dam along with 518 medium and small dams with total storage capacity of 8.33 MAF have been initiated throughout the country.

Water Sector on-going development programme, costing Rs. 1,349.140 billion, centres around five important elements i.e., water augmentation, water conservation, groundwater management, protection of infrastructure from water logging/salinity and floods. Out of total Water Sector budget allocation of Rs. 68.652 billion for 2020-21, about Rs. 52 billion (76 percent) have been released. It is expected that the remaining allocated budget will be utilized by June 2021. Additional funding has been provided to fast-track projects that are nearing completion through re-appropriation. Out of total 85 on-going projects, it is expected that 19 projects will be completed by June 2021.

In Balochistan, Sindh, Punjab and Khyber Pakhtunkhwa, about Rs. 28.40 billion have been utilized during 2020-21 on construction of medium/small/delay action dams and recharge dams. Province-wise details are given in Annex Table 3.2.

PSDP Planned Activities for 2021-22: Reversing Water Scarcity

In compliance with the National Water Policy 2018, a 10 percent PSDP allocation has been ensured for the Water Sector Projects.

Expected Water Availability at Farm Gate will be further enhanced. Overall water availability (surface & groundwater) at farm gate, about 130.50 MAF, include surface water supplies through canal withdrawals, canal lining/ remodelling, rehabilitation/ modernization of existing irrigation system, construction of small/ medium dams, check dams and retention weirs. About 50 MAF of water would be included in the system from underground fresh water aquifer mainly by private tube-wells.

Large/Medium/Small Dams and Canals will be allocated Rs 90,313 million has been allocated to the Water Sector Projects (on-going & new schemes) for 2021-22. Out of this, a sum of Rs 6,573 million has been proposed for Southern Balochistan to implement different water sector's priority schemes.

Diamer Basha and Mohmand Dam will continue to get allocation to the tune of Rs. 29,500 million (including Rs. 22,500 million for Diamer Basha Dam, Rs. 7,000 million for Mohmand Dam) and Rs. 35,383 million for small/ medium & delay action dams all over Pakistan. It is expected that about 28 on-going medium/ small dam's projects will be completed during 2021-22. Details of other major water sector's on-going and new initiatives are given in Annex Table 3.3.

PSDP Performance Review for 2020-21: Strengthening Efficiency of Transport and Logistics for Domestic Commerce and Regional Connectivity

High-density transport infrastructure and highly connected networks are associated with high levels of development and are instrumental for rapid growth. Efficient transport systems provide economic and social opportunities and benefits in terms of better access to markets, creating employment opportunities and attracting investments. Deficient transport systems in terms of capacity or reliability, add to economic cost and lead to reduced / missed opportunities and lower the quality of life. Pakistan has the potential to develop trans-regional economy on account of its strategic location. In this regard, various stakeholders and

institutions continue to work closely with the sponsoring ministries/ departments and provincial governments to conceive and implement strategic projects.

Railways Sector

Against an allocation of Rs. 18.7 billion for 37 schemes of Railways, an expenditure of Rs. 11.2 billion is expected to be incurred during 2020-21, giving utilization of 60 percent. The focus was on the improvement of existing infrastructure, signaling system, and procurement and manufacture of rolling stock. Further, the ML-I project was approved during the year at the cost of US \$ 6.8 billion and the implementation is expected to commence shortly.

Maritime Sector

Against an allocation of Rs. 2.3 billion for 12 schemes of Ministry of Maritime Affairs, an expenditure of Rs. 4.1 billion (Rs. 640.49 million in local currency and Rs. 3,444 million of foreign aid) is expected to be incurred by the end of 2020-21. During the year, major ongoing projects include construction of Eastbay Expressway; development and construction of port allied structures in Mullah Bund area; procurement of port allied equipment and jetties in Gwadar and Korangi Fisheries Harbour development.

Road Sector

For 6 schemes of National Transport Research Center (NTRC) under the Ministry of Communications, an amount of Rs. 78.2 million was allocated while another Rs. 164.54 million was allocated for one project of National Highway and Motorway Police; against which cumulative expenditure of Rs. 113.1 million has been incurred in 2020-21.

National Highway Authority (NHA)

During the year, ongoing projects for Gwadar links and regional connectivity were fast tracked by providing additional funding. Similarly, projects nearing completion were also fast tracked. For 58 schemes of NHA, an allocation of Rs. 118.7 billion was earmarked against which an expenditure of Rs. 95.22 billion has been incurred by the end of 2020-21. Sukkur-Hyderabad (M-6), the only missing section of eastern alignment, has been proposed in PPP mode.

Provincial Road Infrastructure Projects

Against the allocation of Rs. 9.5 billion for 18 schemes, an expenditure of Rs. 6.1 billion is expected to be incurred for completion of ongoing works of various provincial road projects co-financed by the Federal Government.

Under Housing & Works Division, against an allocation of Rs. 6.7 billion for 42 projects, Rs. 3.3 billion is expected to be incurred for completion of the ongoing works of various provincial roads projects for the community good.

PSDP Planned Activities for 2021-22: Strengthening Efficiency of Transport and Logistics for Domestic Commerce and Regional Connectivity

An allocation of Rs. 302 billion has been made for the development programme of the Transport & Logistics sector during 2021-22 (Annex Table 3.9).

Climate Change, Environment and Ten Billion Tree Tsunami

Pakistan falls in the top ten most affected countries due to climate change. Smog, deforestation, sea intrusion, unusual rain patterns, glacial melting, rising temperatures, drought etc. are key adverse impacts of the phenomenon faced by the country for last many years, but the present government has taken bold steps to mitigate these effects which were exacerbated during the COVID pandemic. These include: providing more than 85,000 green jobs under 'Green Stimulus', launching 'Ecosystem Restoration Fund' for post-pandemic recovery, and initiating green financing schemes like 'Debt for Nature' swap scheme targeting \$1 billion funding and floating 'Green Euro Bond' for \$500 million in international market for raising earmarked funds for climate change projects. Pakistan has recently been honored by the international community to host The World Environment Day (WED) on 5th June, 2021 in partnership with the United Nations Environment Programme (UNEP).

In 2020-21, total PSDP allocation to Climate Change sector stood at Rs. 6,000 million. Out of this, the lead focus was on "Ten Billion Trees Tsunami Program- Phase-I Upscaling of Green Pakistan Programme' (TBTTP, Revised) (Rs. 125.2 billion)" - an afforestation initiative to increase the carbon sinking capacity by enhancing tree cover of Pakistan. An amount of Rs. 5,942.7 million has been allocated for TBTTP and Rs. 3,920 million have been released for the year. Secondly, to meet Government's international commitments made during the South Asia Conference on Sanitation (SACOSAN), SDGs attainment and to establish climate resilient safe & sustainable cities as per UNED, UNFCCC, and UN-Habitat protocols under Rio+20 Declaration, the government commenced projects of "Establishment of Pakistan WASH Strategic Planning and Coordination Cell (Rs. 40 million)", and "Climate Resilient Urban Settlement Unit (Rs. 56.825)". Thirdly, the "Glacier Lake Outburst Flood - II (GLOF-II) (Rs. 3920.19 million)" though Green Climate Fund (GCF) is also being executed to conduct large-scale sensitization, consensus building, mobilization and awareness raising of stakeholders, communities and the public about GLOF and climate change risks. Finally, Rs. 151 million were allocated to Pakistan Meteorological Department (PMD) to target real-time monitoring of weather to prevent losses due to calculation delay in climatic warning and early detection and prediction of weather pattern.

For 2021-22, to attain mark of 1 percent additional afforestation, government has allocated Rs. 14,000 million funds, to ensure efficient delivery for "Ten Billion Trees Tsunami Program-Phase-I Upscaling of Green Pakistan Program (Revised)" that will promote and enhance eco-tourism and improve the carbon sinking capacity. The Government is also committed to equip the local communities with knowledge and technology for Disaster Risk Management. The World Bank will support the National Disaster Relief Management Fund (NDRMF) to execute the project titled "Pakistan Hydromet and Climate Services Project (PHCSP)" (USD 60 million)".

Public Private Partnership Authority (P3A)

Public Private Partnership Authority (P3A), established as an autonomous statutory body in order to facilitate and assist various federal implementing agencies in developing, structuring and procuring their infrastructure projects on Public Private Partnership modalities and to regulate federal PPP transactions. The Board of P3A has been mandated to approve such transactions which provides value for money solution to the government while offering bankable financial structure to the private sector.

P3A is fully capacitated and ready to undertake the eligible infrastructure projects for implementation through private sector participation. The Authority is already providing

advisory services to various implementing agencies for developing and preparing their infrastructure projects under PPP mode, the prominent ones are National Highway Authority (NHA), Pakistan Railways, National University of Science & Technology, Pakistan Post, and Ministry of Foreign Affairs. Similarly, P3A has been appointed to look after operational responsibilities for almost one third of the total projects under the PPP modalities. P3A is actively engaging a number of implementing agencies in devising appropriate strategies for their projects for implementation in PPP mode.

P3A Role in Infrastructure Development

Role of P3A is pivotal in terms of enabling government in pursuing its development agenda through private sector participation. P3A's support to the implementing agencies in developing PPP transactions is of utmost importance as PPP transactions, by default, are complex in nature. PPP agreements need to be structured to maximize prospects for creating a win-win for both the public and the private sectors.

To date, the Board of P3A has already approved the projects worth Rs. 264 billion. The Board of P3A also expects to approve projects worth Rs. 978 billion (not mutually exclusive) in the first quarter of 2021-22. Out of the two federal road sector projects, Sialkot-Kharian is expected to be awarded to the concessionaire near the end of 2020-21 and Sukkur-Hyderabad Motorway is expected to be floated in the market after its tender documents are approved by the Board of P3A.

P3A is currently working on various projects. Details of P3A's high-impact projects which are at advanced stage of preparation and are expected to be awarded to the private sector in 2021-22 are given in Annex Table 3.4.

The Authority shall complement, support and further the development of sectoral infrastructure projects of the Govt. of Pakistan and will facilitate the IA's to achieve their infrastructure development goals.

Initiatives under CPEC Framework

The 2nd phase of CPEC has been initiated with emphasis on industrialization and development of Special Economic Zones (SEZ), agriculture modernization, S&T cooperation and socio-economic development. The overall objective is to reap dividends of the investment made in the 1st phase (2015-20) that has created an enabling environment for investment in other sectors as existing gaps in infrastructure and energy have been filled. Several deliverables have been identified for the Joint Cooperation Committee (JCC) by all stakeholders. Following is a summary of the targets and proposed action plan for 2021-22.

On the western alignment, Hakla-D.I.Khan & Zhob-Quetta sections are under construction whereas the D.I.Khan - Zhob section is under discussion with Chinese side for financing and is expected to be launched during 2021-22. G2G Joint Working Group (JWG) on Transport Infrastructure is anticipated to be notified to prepare proposals of Realignment of Thakot - Raikot Section in 2021-22.

The concessional Financing Agreement for landmark ML-1 project is expected to be finalized in the first quarter of 2021-22, and subsequently, arrangements will be made for ground-breaking of the project.

The following projects will be proposed for inclusion in the CPEC framework in 2021-22 and will be discussed in the JWG meeting and subsequently in the JCC: (i) Swat Expressway Phase II (82 km), (ii) D.I. Khan-Peshawar Motorway (365 km), and (iii) Dir Expressway (26 km).

Industrial Cooperation under CPEC Framework

Significant progress, in terms of utility provision, has been made under the industrial cooperation in 2020-21. The current year will see more progress in terms of marketing of the prioritized SEZs. Moreover, joint industrial diagnostic studies have been completed for some sectors and major impediments have been identified. Both policy support and allied enabling environment have been formulated to improve the functionality of the prioritized SEZs.

Development of Port City Gwadar under CPEC Framework

The present government has announced Industrial Incentive Package for businesses in Gwadar City, which along with the completion of requisite infrastructure projects due for completion during 2021-22, will position the Gwadar City to emerge as a major investment destination. Eastbay Expressway project which connects Gwadar Port with Makran Coastal highway for heavy traffic and will support the business activities in Free Zone Phase-II, will be completed during 2021-22. The Gwadar Free Zone is a significant initiative for industrial development and transshipment businesses in the city. Work on Gwadar International Airport is in full swing, which is expected to be completed by 2023. Moreover, the following projects are anticipated to be launched in 2021-22: (i) 300 MW Gwadar Coal Power Plant, (ii) Construction of Breakwater, (iii) Dredging of berthing areas and channels (iv) Gwadar Smart Environment Sanitation System and Landfill project for Gwadar, (v) Construction of floating jetty at Gwadar, and (vi) 1.2 MGD Desalination Plant.

Chapter 4 | **TRANSFORMING DELIVERY OF SOCIAL SERVICES**



**PROPORTION OF BIRTHS ATTENDED
BY SKILLED HEALTH PERSONNEL**

(2014-15) 58%
(2019-20) 68%

PRIMARY COMPLETION RATE

(2018-19) 66%
(2019-20) 67%



**PROPORTION OF
POPULATION WITH
IMPROVED SANITATION
SERVICES**

(2018-19) 70%
(2019-20) 68%

**PROPRION OF
TARGET POPULATION
COVERED BY ALL
VACCINES**

(2018-19) 68%
(2019-20) 70%

SOURCE PSLM

CHAPTER 4

TRANSFORMING DELIVERY OF SOCIAL SERVICES

Social service delivery is an integrated function of society. It is a mechanism through which government, as part of their social compact with the society as well as under the various constitutional stipulations, is committed to address the social issues faced by the vulnerable segments of the society. Social services are linked with universal human rights, democratic principles, religious and cultural values. Food, shelter, education, health care, and security are integral part of the social services. The present government is fully committed to transforming delivery of social services in such a way that disparities and exclusions are minimized, and progress towards Agenda 2030 is expedited.

PSDP Performance Review 2020-21: Supporting Provinces to Improve Effectiveness of Population Welfare

The economic and social development potential of any country is gauged through its population size primarily on the basis of per capita distribution of income and resources. It is imperative to maintain population growth rate which commensurate with the economic sustainability of a country. Use of latest demographic statistics enables realistic planning for equitable social service delivery. Pakistan has undergone drastic social changes, due to urbanization with its attendant challenges related to social service delivery.

Building upon the population statistics and annual growth rate in the 2017 national census report, today at approximately 230 million, Pakistan is the fifth most populous country, predicted to contribute to 1/5th of the global population growth by 2030. Over 60 percent of this population is younger than 30 years of age, and a third of the population is living in poverty. In terms of population growth rate, the country has barely budged from where it was in 1961 (2.43 percent) to 1.94 percent today. Another characteristic of countries stalling in the demographic transition is the high fertility rate, a feature also endemic in Pakistan. There has been marginal improvement in the total fertility rate from 3.8 percent in 2012-13 to 3.6 percent in 2017-18.

The National Action Plan on Population aims to bring contraceptive prevalence rate to 50 percent, total fertility rate to 2.6 births per woman and population growth rate to 1.5 percent by 2025. Population welfare programmes at federal and provincial levels are geared to achieve these objectives, in the light of the latest evidence presented in the 2020 Population Situation Analysis (PSA), and the national consultative forum series on population and development hosted by the Planning Commission with provincial governments and development partners.

The population welfare programmes for ICT, GB and AJK are funded by the Federal Government through PSDP while provincial population sector programmes are financed under the provincial ADPs. COVID-19 has increased the challenges for Maternal and Neonatal Child Health and Population Welfare. In this regard, the Federal government has institutionalized enhanced resource allocation on co-financing basis to incentivize provinces to devise alternate service delivery approaches. Amounts of Rs. 165.75 million and Rs. 20.00 million were allocated for GB and AJK population welfare programmes for 2020-21, of which, Rs. 132.599 million and Rs. 16.00 million was released for these areas, respectively. These programmes were given one-year extension and are expected to complete by June 2021.

PSDP Planned Activities for 2021-22: Supporting Provinces to Improve Effectiveness of Population Welfare

Fully committed to SDGs and ICPD25, the government is cognizant that population control in the wake of COVID-19 is specifically critical since it directly determines the salvageability of the economy. Regular stewardship reviews were organized to take a stock assessment of provincial performance and challenges in achieving the targets set by the Council of Common Interests.

The National Action on Population (2021-26) is part of the PSDP 2021-2022. Moving forward, in alignment with the Prime Minister's vision, efforts will be made to strengthen data generation and population statistics to identify priority population factions before rolling out contextualized reform programmes. The year will also see the pursuit of the first ever international collaboration between the government of Pakistan and Harvard University, on advanced demographic analysis, macro and micro policy setting for population management, standardization of population data to support policymaking.

The federal task force on population has been discussing the need of uniformity of public messaging on population to be launched nationwide, and has proposed adopting "*tawazun*" to be the national narrative. Since parents decide the number of children, therefore, they would be sensitized about the fundamental rights of their children and balance (*tawazun*) their family in terms of family size and available resources.

Pakistan Population Fund: The Prime Minister has approved an allocation of Rs. 2 billion during 2020-21 for the Federal government to develop roadmap for public private partnership and preparing a framework for sharing of financial and technical resources.

Situation Analysis: Findings from the Population Situation Analysis 2020 will inform the creation of sub-groups on Population Welfare, Youth engagement, Demographic Dividend and other key areas on population to deliberate and recommend evidence-informed reform interventions to advance progress on the National Action Plan 2021-26. The year 2021-22 will be focusing more on generating outcomes from these sub-groups and will form the basis for national level policy planning.

National Census: Results of National Census 2017 have been approved while NIPS and PBS will set out plans for the next Census.

Provincial Population Programmes

The provincial governments are implementing population related interventions through their ADPs while several other programmes were undertaken by the provinces. The Planning Commission provided a platform to the provinces to share their best practices. Major Provincial initiatives include the following:

- The Population Welfare Department (PWD) Punjab plans to strengthen services, access and management of Population Welfare programme, uplift service delivery outlets, perform pre-marital counselling, establish adolescent health centres, automate PWD services across Punjab, devise an advocacy campaign leading to call of action for social and behaviour change by adopting an appropriate communication strategy, integrated supply chain and MIS, renovate Regional

Training Institute (RTI), Population Welfare Department Lahore & Multan and human resource development.

- PWD Sindh plans to extend complete Population Welfare package in un-served areas where concept of Reproductive Health Service -Type B Centre (RHS-B) model has been introduced. The Sindh population task force is active while several capacity building programmes will be initiated for theoretical and clinical training and strengthening of RTIs. The province maintains sufficient stocks of contraceptives.
- PWD Khyber Pakhtunkhwa plans to establish 14 Adolescent & Sexual Reproductive Health centres, involving 200 Religious Scholars as Social Mobilizers at Village Council Level, establishment of Mobile Service Units in Upper Kohistan and Kolai Palas and facilitating public private partnership for franchising of Population Welfare Services in the province.
- PWD Balochistan plans to provide modern Population Welfare services and commodities delivered through FP facilities including mobile facilities. Efforts to raise awareness and counselling for FP services, including conventional and clinical methods, male and female contraceptive surgeries are planned to be undertaken by the department.
- PWD Azad Jammu and Kashmir intends to improve existing service delivery network for enhanced coverage and access to FP services at community level, devise an effective advocacy campaign for promoting Population Welfare by involving civil society, media, religious leaders, training and capacity building of programme personnel and non-programme personnel.
- PWD Gilgit Baltistan intends to develop M&E Framework, strengthen MIS for M&E, conduct training of officers/officials, trainers, Registered Medical Practitioners, hold meetings with NGOs / Civil Society Organizations (CSOs) and Local Society Organizations (LSOs) for provision of FP service delivery and providing community support and strengthening monitoring of service delivery outlets and hold Information, Education & Communication activities for relevant stakeholders.

PSDP Performance Review 2020-21: Supporting Provinces to Improve Delivery of Healthcare and Better Nutrition

COVID-19 has negatively impacted SDG-3 (Ensure healthy life and wellbeing for all at all ages). Following a socioeconomic impact analysis, the Planning Commission earmarked Rs 70 billion in PSDP 2020-21 under the COVID19 Responsive Umbrella PC1 to strengthen the healthcare infrastructure and build system's resilience to weather public health shocks across the country. Working closely with the provincial governments, the Planning Commission has successfully managed to fast-track processing of all the sub-PC1s received and has approved monies to the full committed value of Rs 52 million to Ministry of National Health Services, Regulation and Coordination, and provincial departments of health in Punjab, Sindh, Khyber Pakhtunkhwa, Baluchistan, Gilgit Baltistan and AJK. The remaining amounts committed for WASH projects are in their final stage of processing. Pakistan's another big challenge is to lower the burden of communicable diseases such as Malaria, Dengue, TB, HIV/AIDs, and Chronic Hepatitis which add to the constraints on already over-stretched health system due to COVID-19.

Inappropriate and unhealthy dietary practices are responsible for the increased prevalence of under-nourishment such as stunting, wasting, underweight and micronutrient deficiencies. According to Joint Malnutrition Estimates 2020, the prevalence of stunting is comparatively higher in Pakistan (37.6 percent) compared to prevalence of wasting and under-weight. Owing to high prevalence of stunting, wasting and micronutrient deficiencies in Pakistan, the present government focussed on initiatives to improve the nutritional status of its population which will help in social and economic uplift.

The Federal Government is taking initiative to engage private sector to expand the health service delivery as 70 percent of our population avails private medical services for routine consultations. The government has signed MoU with private operators for sharing services in blood bank, routine laboratory and ambulance services.

The provincial governments have contributed significantly in strengthening health sector to achieve Universal Health Coverage (UHC) targets within their ADP 2020-21 resources. In the ADP 2020-21 of Punjab, an amount of Rs. 47 billion (9.42 percent higher than the last year) was earmarked to finance economic stimulus package in the back drop of COVID-19 for tackling the health crisis. The Punjab government also allocated Rs. 22.15 billion for 56 schemes for specialized healthcare and medical education. Another amount of Rs. 11.5 billion was allocated for Primary and Secondary Healthcare (P&SH) in the ADP.

The Government of Sindh financed 192 schemes in the ADP 2020-21 including 51 new schemes having a total estimated cost of Rs. 28.895 billion. The Provincial Government allocated Rs. 98.75 million for preventive health programmes, while the provincial government assigned special focus to COVID-19 response activities by allocating Rs. 5 billion in their ADP for 2020-21.

Government of Khyber Pakhtunkhwa included 183 projects in its ADP 2020-21 including 47 new projects. An allocation of Rs. 22.181 billion was earmarked in the ADP for strengthening primary healthcare services, while another Rs. 3.7 billion were allocated for preventive health programmes.

Government of Balochistan earmarked Rs. 31.40 billion for health sector in their ADP 2020-21, and another Rs. 1.5 billion for preventive health programmes.

Government of Azad Jammu and Kashmir earmarked Rs. 6.75 billion for health sector schemes in ADP 2020-21 while the Government of Gilgit-Baltistan earmarked Rs. 6.9 billion in its ADP 2020-21 for health sector schemes.

Nutrition

The government assigns high priority to address the challenge of malnutrition. To oversee progress of improving nutritional outcomes, a high level multi-sectoral nutrition governance structures viz. Pakistan National Nutrition Coordination Council (PNNCC) and National Nutrition Forum (NNF) was constituted. Under the guidance of PNNCC, Policy Framework on Early Childhood Development (ECD) has been drafted while SUN Secretariat is being established. ECD mapping exercise and high-level policy dialogue was conducted. A national level steering committee and technical working group has been formulated. Concurrently, National Nutrition Thought Management Programme (NNTMP) to educate and sensitize the masses on nutritional awareness is also being envisioned for 2021-22. Other nutrition related initiatives include:

- A project titled “Improving food security and nutrition, minimizing the impacts of COVID-19 on livelihoods of poorest households in South Punjab (Bhakkar, Khushab and Mianwali districts)” has been approved.
- In order to address data gaps, a Multi-sectoral Nutrition Information Management System (NMIS) is being prepared.
- Urdu version of the revisited Pakistan Dietary Guidelines for Better Nutrition (PDGN) prepared for advocacy and awareness of better food choices and healthy life style among all population groups shall be launched in 2021-22.
- A high-level progress review and consultation on Global Action Plan (GAP) was conducted to review progress on preventing child wasting through health, social protection, food system and WASH interventions for achieving the SDGs.
- Multi-Sectoral National Nutrition Action Plan has been drafted with collaboration of Sectoral Federal/Provincial Ministries/Departments and other nutrition development partners to implement the Pakistan Multisectoral National Nutrition Strategy (2018-23)
- Food Fortification Programme (for wheat flour, edible oil and salt) covered 1,006 wheat flour mills across the country and 2,333 micro feeders have been installed. The provinces have been provided with High Performance Liquid Chromatography (HPLC) spectrophotometers and rapid test kits for internal quality assurance. Around 136 edible oil mills are covered for Vit A and D fortification. Almost 1,100 small scale processors are supplied KIO3 and rapid test kits for quality assurance with the help of nutrition development partners.

Food Availability and Cost of Food Basket

Food availability is directly linked with the state of food security. Pakistan produces sufficient quantities of food to meet domestic requirements. According to the Food Balance Sheet, the availability of major food items has remained stable over the period 2018-2021 (Annex Table 4.1).

Availability of calories per capita per day using major food commodities is estimated at 2,580 calories in 2020-21 compared to 2,445 calories in 2019-20 (Annex Table 4.1). The cost of Minimum Food Basket providing 2,150 calories and 60 gm of protein/day calculated on monthly basis by using food prices data from Pakistan Bureau of Statistics (PBS) which reveals a fluctuating trend during July 2020 to March 2021 (Annex Figure 4.2). The cost gradually increased from July till November, 2020 by 12.2 percent, and then sharply declined till February, 2021 by 13.6 percent followed by slight increase in March, 2021 by 1.8 percent. Peak was observed in the month of November when the cost reached at Rs.3,339. Overall, it showed decrease of 1.3 percent during the said period.

PSDP Planned Activities for 2021-22: Supporting Provinces to Improve Delivery of Healthcare and Better Nutrition

The Annual Plan 2021-22 will continue to focus on key objectives of Universal Health Coverage (UHC) aligned with SDGs. Government is now re-setting the direction of sectoral priorities, from response and recovery to building resilience and strengthening health systems.

Institutional strengthening and capacity building will lead the preparation of sectoral strategy for the next three years. Public health surveillance and critical human resource for health deficit are two key gaps further underscored during the COVID19 and will be prioritized. Whereas the existing healthcare infrastructure will continue to be upgraded for better quality healthcare, there will also be a focus on evidence-guided establishment of new hospitals. This will ensure provision of universal access to healthcare to the marginalized and under-served populations, a commitment that the Government of Pakistan is deeply committed to.

Implementation of Pakistan Multi-sectoral Nutrition Strategy (PMNS) (2018-2023) through the development of Nutrition Action Plan in collaboration with stakeholders i.e. health, education, food security, provincial relevant departments etc. is planned during the year.

The National Financial Outlay for 2021-22 provides a strategic link to bring together combined effect of public sector health projects between federal and provincial governments to mitigate the impact of Disability Adjusted Life Years (DALYs) due to prevailing COVID-19 or other natural calamities.

Special Initiatives to Implement Disease Surveillance and Response Capabilities

The Federal Ministry of National Health Services, Regulation and Coordination has proposed 42 new schemes for financing out of PSDP 2021-22. The Annex Table 4.4 shows some major initiatives proposed in the Health sector aiming at improving emergency and response services for COVID-19 and other natural calamities with implementation of effective Integrated Disease Surveillance and Response (IDSR) system to detect potential epidemic. Human Resource for Health (HRH) initiative is also priority agenda for the next financial year as Government envisages strengthening the backbone of health system i.e. the nursing sector.

The other major initiatives include the following:

- Expanded Programme on Immunisation (EPI) programme aims at protecting about 7 million children of ages between 0–23 months against 10 vaccine- preventable diseases i.e. Polio; Diarrhoea; Diphtheria; Pneumonia; Pertussis; Tetanus; Hepatitis-B; H. Influenza-b and Measles. It also focuses on vaccinating about 7 million pregnant women of child bearing age and their neonates against Tetanus. Major support for the EPI programme is arranged through National Immunization Support Programme (NISP) of Rs. 37 billion.
- In view of the need to strengthening endgame Polio Eradication, support will be provided to the efforts of frontline polio workers. The efforts of Pakistan in global Polio Eradication Initiative were recognized at tripartite consultative session in January 2021. WHO's Executive Board apprised the achievements of National Emergency Operation Centre Coordinator of Pakistan for Polio Eradication. Pakistan reported vaccination coverage of 39.6 million children under five years of age and 1.1 million children on the move vaccinated at transit posts during National Immunization Days (NIDs) campaign in January, 2021. Pakistan has an opportunity to end polio transmission in coming years, provided focus on reaching children in high-risk areas of the country does not dilute. There is a need to increase surveillance quality and conduct high-quality campaigns to close immunity gaps.
- Maternal and Child Health (MCH) Programme aspires to provide better access to mother and child health and Population Welfare services with provision of

comprehensive Emergency Obstetric and Neonatal Care (EmONC) services in 275 hospitals/health facilities, provision of basic EmONC services in 550 health facilities and Population Welfare services in all health outlets. Pakistan has shown improvement in the Infant Mortality Rate (IMR) of 62 infant deaths/1000 live births in 2019, from 66 infant deaths/1000 live births in 2015, but Maternal Mortality Ratio of 170 maternal deaths/100,000 live births is still very high as compared to other countries in the region.

PSDP Performance Review 2020-21: Supporting Provinces to Improve Education Investment Impact on Learning

Compared with other countries in the region, Pakistan is ranked low in the region in terms of educational indicators such as expected years of schooling, mean years of schooling and inequality in education. The government is cognizant of the national education crisis, with over 22.84 million children still out of school and 41 percent of fifth grade students unable to read simple stories in basic languages. PSLM 2018-19 reports that literacy rate is stagnant at around 60 percent with urban literacy at 74 percent and rural literacy rates at 51 percent. Literacy in Punjab is slightly higher, at 64 percent compared to Sindh and Khyber Pakhtunkhwa (including merged districts), at 57 percent and 55 percent, respectively while this rate is 40 percent in case of Balochistan.

Literacy rate for male population is reported to be at 71 percent while female literacy rate is 49 percent. School attendance across Pakistan is reported at 60 percent while Gross Enrolment Rate (GER) at primary level is 87 percent and Net Enrolment Rate (NER) is 66 percent. Middle level GER and NER are 63 percent and 38 percent, respectively while matric level GER and NER are 57 percent and 27 percent, respectively. Gender parity index (GPI) in literacy is 0.69 while this GPI at primary and secondary levels is 0.92 and 0.89, respectively.

One of the major concerns is to mitigate the loss of exacerbated learning with over 50 million learners affected due to COVID-19 during 2021-22. This situation entails higher risk of increase in out-of-school children, widening gender disparities and flaring learning poverty. Efforts need to focus on reducing huge number of out of school children (22.8 million, exacerbated to 50 million due to COVID-19). Serious efforts by provincial governments to strengthen modules for training of both teachers and education managers to deal with similar challenges in the future. Improving gender parity and literacy are the areas of special focus in education sector.

At the Federal level, 23 projects were included in PSDP 2020-21, including 20 ongoing projects and 3 new projects initiated by the M/o Federal Education & Professional Training (Annex Table 4.3). These projects aim at introducing uniform curriculum, capacity building of teachers and principals, recruitment of teachers, establishment, renovation and up-gradation of schools and colleges, improve gender disparity, education voucher scheme, improve educational assessment, and Knowledge Economy Initiatives.

The government is committed to strengthen education system and invest on human capital development. The number of projects for human capital initiated by the present government include:

- Tele-School for Grades 1-12
- National Education Action Plan for COVID-19 (ASPIRE)
- Establishment of National Curriculum Council (NCC) Secretariat
- Balochistan Human Capital Investment Project

- Khyber Pakhtunkhwa Human Capital Investment Project (KPHCIP)
- Punjab Human Capital Investment Project
- Sindh Early Learning Enhancement through Classroom Transformation (SELECT)

PSDP Planned Activities for 2021-22: Supporting Provinces to Improve Education Investment Impact on Learning

Strengthening Basic and College education system is the priority of the present government. Towards this end, 24 development projects, including 20 ongoing projects for Basic and College education are included in the Federal PSDP for 2021-22. An amount of Rs. 4,873.74 million has been allocated in the PSDP 2021-22 for these projects.

An amount of Rs. 4.7 billion has been allocated in PSDP 2021-22 to Ministry of Federal Education and Professional Training, which has taken a lead on several initiatives for improving education quality and access, as well as to mitigate the education losses during pandemic. ASPIRE program initiatives to counter the education inequities at inter-provincial and inter-district levels for lagging areas across Pakistan. Rs. 4 billion will be disbursed to reduce imbalances in education quality and access.

Two major programs - RRRP (Response, Recovery and Resilience Project) and PREP (Pandemic Response Effectiveness in Pakistan) have been launched to address disruption in education continuity and learning losses due to the pandemic. Interactive and digital content for tech-based media is being created, updated, contextualized and disseminated through TV, radio and prevalent ed-tech platforms. Other programmes include provision of basic education missing facilities, establishment / up gradation of boys' and girls' schools / colleges, knowledge economy initiatives, teachers' training institutes, etc.

National Curriculum Council Secretariat has been set up to ensure effective coordination among federating units in development and review of Single National Curriculum from Grade pre-I to XII, Teachers training modules, Standards for Quality Education and National Curriculum Framework. Updating the national curriculum by adopting new knowledge areas relevant to the needs of 21st century and focusing upon creative and critical thinking, instead of rote learning, is the priority agenda of the present government.

The School Education Department, Punjab interventions in the ADP 2021-22 include construction of additional classrooms, provision of missing facilities in schools, reconstruction of dangerous school buildings, construction of shelter less schools and upgradation of schools. Higher Education Department in Punjab aims at providing missing facilities in public colleges to uplift the quality of education and initiate 14,000 need-based scholarships for the students of intermediate level in public colleges in the province.

Government of AJ&K has allocated Rs. 1,012 million for schools under Elementary & Secondary Education Department. Construction /Repair & Renovation of 122 schools, Provision of Missing Facilities/IT & Science Equipment in 213 institutions and 425 E-learning & ECE Classrooms are targeted during the year. 12 new colleges will be constructed during 2021-22, furniture & equipment will be provided in 12 colleges; boundary walls of 15 colleges will be constructed. One cadet college will be established whereas provision of furniture & equipment and construction of boundary wall will be provided in another Cadet College. For colleges, an amount of Rs. 650 million while Rs. 100 million has been earmarked for cadet colleges during 2021-22.

Gilgit Baltistan plans to improve literacy rates by launching 450 Early Childhood Centres, upgradation of 150 primary schools into model primary schools, 500 middle schools into model high schools, set up of 20 model higher secondary schools, provision of ICT facilities in 500 middle and high schools and 6 centres of excellence at intermediate level. Sustainability of 150 Home Based Schools in Diamir district by establishing 100 girls' primary schools, 20 middle and 10 high schools. Awarding of 2,000 scholarships as an incentive to enhance girl's education. Staff development within the Directorate of Education, GB, Establishment of Education Assessment Centre within DoE, GB.

Chapter 5

DEEPENING PEOPLE-CENTRIC SECURITY





BENEFICIARIES OF BISP

**KAFALAT
WASEELA-E-TALEEM
NASHONUMA PROGRAMME**

**7,000,000
2,200,000
220,000**



MATERNAL MORTALITY RATIO

**2006-07
2018-19**

**276*
186***

SOURCE PDHS



**PREVALENCE OF ANAEMIA IN
WOMEN AGED 15 TO 49 YEARS**

**2011
2019**

**51%
42.6%**

SOURCE NNS



**PARENTAL CONSULTANCY DURING
LAST PREGNANCY**

**OVER ALL
URBAN
RURAL**

**73 - 77
84 - 86
63 - 72
(2014-15) - (2019-20)**

SOURCE PDHS

CHAPTER 5

DEEPENING PEOPLE-CENTRIC SECURITY

Development can only thrive when there is investment in people and institutions and where governments are responsive and accountable to their citizen's social and economic security. Government is committed towards making real improvements in people's lives and implement policies which expand choices and opportunities open to them. The present government accords high priority to social protection and inclusive development, poverty alleviation and alignment with SDGs indicators, supporting urban development and access to affordable housing and expand access to mass media universe, preserve national heritage and promote culture to ensure people-centric security.

Pakistan was among the first countries to commit to the 2030 Agenda and its 17 Sustainable Development Goals (SDGs). The country adopted the SDGs as part of its own national agenda through National Assembly Resolution No. 113 in 2016. The four global goals directly related to social protection – SDG 1 (no poverty), SDG 3 (good health), SDG 5 (gender equality) and SDG 10 (reducing inequalities) are of national importance and relevance to the prevailing socio-economic conditions in the country. Since 2001, poverty has been consistently declining in Pakistan. Although the definition and poverty line was changed in 2013-14, nonetheless, the poverty trend remained the same.

Although, COVID-19 is health pandemic but it has caused major economic disruptions. A comprehensive socio-economic impact analysis was undertaken to forecast the fall out effect of COVID19 on marginalized and vulnerable segment of the population.

In order to ensure that voices and concerns of all the citizens are heard and addressed, the role of media becomes extremely crucial. In Pakistan, electronic media has been the most receptive source of information due to the high rural population and the lower literacy rate. Latest trends show an unprecedented growth in information technology, digital media, and advertising has incentivized development of all forms of media resulting in job and content creation. Being cognizant of these developments, the government has chalked out a plan for digitalization of terrestrial network of Pakistan Television Corporation (PTVC), digitalization of analogue transmission of Pakistan Broadcasting Corporation (PBC) and expansion of cable TV network to rural and far-flung areas, Direct to Home Television (DTH) and Over the Top (OTT) media platforms which deliver film and TV content through internet.

Review of National Poverty Estimates

The Annex Table 5.1 presents poverty estimates from 2005-06 to 2018-19. These estimates are based on Cost of Basic Needs (CBN) poverty line adjusted by CPI, for all the HIES survey years of the last decade. It shows that poverty has a declining trend both in urban and rural areas. Reasons for decline in poverty according to UNHDR Report (2021) are income inequality growth rate of real per capita income, changes in relative food prices, and the growth of pro-poor expenditure in real terms.

Incidence of CBN based poverty has been declining since 2005-06 in Pakistan. Percentage of population living below the national poverty line declined from 50.4 percent in 2005-06 to 21.9 percent in 2018-19. Comparing with 2015-16, CBN based headcount has declined by 2.4 percentage points, i.e., from 24.3 percent in 2015-16 to 21.9 percent in 2018-19. This decline has been observed both in rural and urban areas, however the decline was more pronounced

in rural poverty than in urban poverty. Between 2015-19 urban poverty declined from 12.5 percent to 11 percent whereas rural poverty has declined from 30.7 percent to 28.2 percent.

Consumption inequality, on the other hand, manifested cyclical trends since 2005. Both at national and regional levels, inequality has been declining with marginal increases in 2011-12 and then again in 2015-16. National Gini¹⁰ has declined from 0.326 in 2015-16 to 0.303 in 2018-19. Proportion of decline in urban inequality was greater than the decline in rural inequality.

From 2013-15, greater increase in consumption of upper quintile of population has been observed with reduction in lower and middle quintile that led to an observed decline in poverty whereas an increase in inequality. However, between 2015 and 2019, consumption increased largely in middle to lower quintile due to which poverty declined marginally but a marked decline in inequality has been observed. From these trends between poverty and inequality, it can be construed that the measure of poverty is sensitive to how much is consumed whereas inequality is sensitive to who consumes in the society.

Gini-adjusted Measures of Inequality in Pakistan (by Household weights)			
Years	Pakistan	Urban	Rural
2005-06	0.330	0.376	0.265
2007-08	0.314 ↓	0.354 ↓	0.264 ↓
2010-11	0.296 ↓	0.334 ↓	0.253 ↓
2011-12	0.307 ↑	0.351 ↑	0.250 ↓
2013-14	0.299 ↓	0.323 ↓	0.259 ↑
2015-16	0.326 ↑	0.356 ↑	0.266 ↑
2018-19	0.303 ↓	0.328 ↓	0.248 ↓

Recently, the increase in wheat prices contributed to higher inflation but interestingly the wheat prices are also key factor in enhancing consumption in lower quintiles which not only contribute significantly to reduction in poverty incidence but also reduce inequality. As an example, wheat prices increased significantly by 52 percent during 2008-10. HIES data is available for 2007-08 and 2010-11. In this period, the consumption increased by 67.7 percent and national accounts data on private consumption increased even by higher rate of 70.3 percent. As a result, poverty incidence decreased by 7.3 percentage points and rural poverty decreased by 7.6 percentage points. This is the highest drop between two HIES periods. And more importantly, inequality measured by Gini touched its lowest number of 0.296 between the two HIES period, which implies a significant role of wheat-related inflows to the rural economy that, in turn, positively impacted in reducing poverty and inequality.

¹⁰ The Gini index is the average gain to be expected, if each individual has the choice of being himself or some other member of the population drawn at random, expressed as a proportion of the average level of income e.g., if the Gini index for a Pakistani is 0.30, we can say that the expected gain from playing the experiment of exchanging income with someone else randomly chosen in the Pakistani population, is 30 percent of average income.

The above analysis provides a context to the question: how pandemic related restrictions in 2020-21 and 2021-22 impacted poverty estimates in Pakistan? In answering this question, the role of wheat-related inflows to rural economy during 2021 will be once again part of the explanation.

Alignment of SDGs and Pro-Poor Budgetary Expenditures

Expenditure on 17 pro-poor sectors, reported by Ministry of Finance, shows an increasing trend in absolute terms in pro-poor public expenditure. During 2019-20, Pakistan spent Rs. 3,447 billion on 17 pro-poor sectors against Rs 3,099 billion in 2018-19, thus showing an increase of 11.2 percent. Province-wise/ sector-wise details of pro-poor budgetary expenditure are given in Annex Table 5.2.

Policy Architecture of Social Protection System

Social protection is the key pillar of the present government that aims at providing relief to the neediest families and individuals, particularly after the outbreak of pandemic. The mapping of social protection institutions and departments is carried out at federal and provincial levels and a dashboard has been developed for collating of data of different social protection programme with the number of beneficiaries.

Social insurance model has dominated Pakistan's social protection system. Pakistan has several noteworthy social security schemes for formal sector employees and retired public sector workers, which, however, largely do not cover workers in the informal sector.

Federal and Provincial Social Protection Frameworks

Federal /Provincial Government	Status
Federal	National Social Protection Framework has been developed by the Planning Commission to outline overall social protection system
Punjab	Setup Punjab Social Protection Authority (PSPA) for coordinating social protection
KP	Established KP Social Protection Reform Unit (SPRU).
Sindh	Work Underway

Policy and Legislative Initiatives

- National Commission on the Rights of Child (NCRC) has been constituted and made under the National Commission on the Right of the Child Act, 2017.
- Under ICT Child Protection Act, 2018, the **ICT Child Protection Rules** have been framed and Service rules for Child Protection Institute notified.
- The Islamabad Capital Territory Senior Citizen Act, 2020 has been passed by National Assembly of Pakistan on 19th April, 2021.
- **The Domestic Violence (Prevention & Protection) Act, 2020** has been passed by National Assembly of Pakistan on 19th April, 2021.
- **ICT Rights of Persons with Disability Act, 2020** was passed in the joint session of the Parliament on 16th September, 2020. It proposes legal and institutional framework for an inclusive society

- **The Zainab Alert, Response and Recovery Act, 2020** has been enacted on 24th March, 2020. The objective of the Act is to raise the alerts and initiate responses for recovery of missing, abducted, abused and kidnapped children in the country. The Act provides for establishment of Zainab Alert, Response and Recovery Agency for missing and abducted children. App has been linked with PMDU and launched on 15th October, 2020. The Zainab Alert Response and Recovery Agency has been notified to carry out the purpose of the Act.
- **Anti-Rape (Investigation and Trial) Ordinance 2020:** It aims to criminalize the offence of Rape by repealing the existing provision of rape in Pakistan Penal Code and introducing a broader and holistic definition of Rape which includes the offence of gang rape. Furthermore, it provides for efficacious justice to survivors of rape by conducting gender sensitive investigation and prosecution in special courts and by providing strict punishments to the offender including chemical castration.
- The Cabinet approved the Child Domestic Labour in Part-I (Occupation) of the Schedule of the Employment Children Act, 1991 on 16th June, 2020.
- The Ministry of Human Rights launched a **16 Days of Activism Campaign** on women's fundamental rights through a series of short informational videos covering important topics including sexual harassment, rape, the marriage contract, filing an FIR and women's inheritance. The films were developed in collaboration with the National Commission on the Status of Women (NCSW) and Sharmeen Obaid Chinoy films for 16 days of activism from 25th November, 2020 to 10th December, 2020. Ministry of Human Rights celebrated the **International Women's Day** on 8th March, 2021 at President House to recognize and encourage the efforts of the female across the country for women empowerment and rights.
- In PSDP 2020-21, funds of Rs. 256.00 million were allocated to 14 projects of Ministry of Human Rights (MoHR), out of which 08 projects were ongoing and 06 new projects including projects of Directorate General of Special Education. Out of which Rs. 183 million have been utilized during the year. Under PSDP 2021-22, funds amounting to Rs 279.60 have been allocated for 13 schemes, of human rights. Rs. 600 million have been allocated for two schemes of poverty alleviation and social safety.

Impact and Performance of Internationally Acclaimed Social Safety Initiatives

Ehsaas programme was launched by the Prime Minister on March 27, 2019 as Pakistan's biggest social protection and poverty eradication initiative. Collectively, the programme comprises of over 268 programmes, policies and initiatives centered on a holistic approach to alleviating poverty. The wide-ranging *Ehsaas* programmes includes *Ehsaas Kafaalat*, *Nashonuma*, *Ehsaas Interest Free Loan*, *Ehsaas Amdan programmes* and Pakistan Poverty Alleviation Fund (details in Annex Table 5.3). Some of the major initiatives are briefly highlighted below:

- *Ehsaas* Emergency Cash programme worth Rs. 179.8 billion has been launched in the context of the economic hardship being experienced by the vulnerable and poor due to the ongoing COVID-19 pandemic. The programme aims to provide Rs. 12,000 each to more than 14.83 million deserving families through a biometrically-enabled payment system.
- The Prime Minister launched a web-portal for COVID-19 livelihood-loss-affectees on May 2, 2020 and committed the PM's COVID-19 relief fund to those who will qualify for assistance.

- The *Ehsaas Rashan* Portal is a donor-beneficiary linking system for *basic food items*' distribution. It has been set up to enable the private sector and civil society organizations to reach the most vulnerable deserving beneficiaries and provide them with food *rashan* packs or cash equivalent in the wake of the COVID-19 crisis.
- Funds amounting to Rs. 135 million were allocated to two development schemes of Poverty Alleviation & Social Safety (PASS) Division for two projects i.e. **Tahafuz Pilot Project** and **Ehsaas Delivery Unit**, out of this Rs 105 million have been utilized.

Ehsaas Programme (out of PSDP) – Umbrella Social Protection Initiatives

Under the *Ehsaas* Programme, key initiatives include Benazir Income Support Programme and Pakistan Bait-ul-Mal programmes, Pakistan Poverty Alleviation Fund programmes and Trust. *Ehsaas* is the biggest and boldest programme ever launched in Pakistan to uplift marginalized people (Annex Table 5.3).

Performance of Pakistan Poverty Alleviation Fund (PPAF)

During July-March 2020-21, PPAF disbursed an amount of Rs. 2,640.09 million to its Partner Organizations (POs) for various programmes funded by donors and own resources. The component-wise update on impact is given in Annex Table 5.4.

National Poverty Graduation Initiative (NPGI)

Under NPGI the following two major programmes are being implemented by PPAF:

- **Interest Free Loan (IFL) Programme:** IFL being implemented by PPAF through its 24 Partner Organizations. The range of interest free loans is Rs. 20,000 – Rs.75,000. As many as 3.8 million interest free loans will be provided (80,000 loans a month) for the next 4 years to 2.28 million households. Under this initiative, during July 2020-March 2021, a total of 490,368 interest free loans (47 percent loans to women) amounting to Rs. 17,500.26 million have been disbursed to the borrowers.
- **Benazir Income Support Programme (BISP):** BISP aims to graduate beneficiaries out of poverty and improve their livelihood by facilitating either access to employable skills, markets, employment, income generating activities, financial services, education, health, nutrition and other social services through partnerships and implementing relevant Programmes and projects in following areas:
- **Graduation through Direct Cash Programme (DC):** Direct Cash (DC) is funded by the Asian Development Bank (ADB) with financing of US\$5 million.

Unconditional Cash Transfer (UCT): The Unconditional Cash Transfers (UCT) also called *Ehsaas "Kafaalat" Programme*, is the core programme of BISP which was initiated in 2008. BISP has expanded *Ehsaas Kafaalat* Initiative horizontally (up to 15 million for *Ehsaas Emergency Cash Assistance*) and vertically (from Rs. 3,000/- per quarter to Rs. 6,000/- per quarter). BISP's annual disbursement under EKP/UCT rose from Rs. 16 billion in 2008-09 to Rs. 160 billion (including *Ehsaas Emergency Cash Assistance Programme*) in 2020-21.

Waseela-e-Taleem (WeT)

As part of the graduation strategy aiming to link the Unconditional Cash transfer (UCT) to the attainment of SDGs, BISP initiated *Waseela-e-Taleem (WeT)*, a Conditional Cash Transfer Programme in 2012 to enroll and retain out-of-school children of BISP beneficiary families with cash incentive of Rs. 1,500/- for male child and Rs. 2,000/- for female child. The overall

objective of *WeT* is to encourage primary education through regular cash transfers to invest in human capital development.

So far, *WeT Programme* has enrolled 4.23 million children in all over Pakistan and disbursed Rs. 16.2 billion. Out of the total children, 52.68 percent are male children and 47.32 percent are female children.

Pakistan Bait ul Mal (PBM)

An amount of Rs. 6,105.00 million has been allocated to PBM for the year 2020-21. The detail of disbursement under the various schemes of PBM for the period from July 2020 to December 2020 are as under:

Individual Financial Assistance (IFA): An amount of Rs. 1,317.056 million disbursed country-wide up to month of December 2020.

Dar ul Ehsaas (Orphanages): PBM has established *Dar-ul-Ehsaas* for the orphan children. An amount of Rs. 250.458 million has been spent up to month of December, 2020.

Ehsaas Kada (for Shelter-less Senior Citizens): Presently 02 centers have been established thereafter, this initiative would be up-scaled in phased manner.

Schools for Rehabilitation of Child Labour (SRCLs): PBM has established (159) National Centres for Rehabilitation of Child Labour countrywide since 1995 for primary (non-formal) education. Children (male & female) between the ages of 5-6 years are weaned away from hazardous labour and enrolled in these centres with free provision of uniform, books and stationery. An amount of Rs. 293.840 million has been utilized up to end-December 2020.

PBM plans to remodel and maintain the 05 existing Islamabad based and subsequently established 22 new *Panahgah(s)* under *Ehsaas Programme* as a new initiative of the present government. So far, an amount of Rs.58.519 million has been utilized up to month of December 2020.

Institutional Rehabilitation for NGOs: PBM provides grant-in-aid to registered Non-Governmental Organizations (NGOs) having excellent track record aimed at institutional rehabilitation of the poor and deserving persons of the society. An amount of Rs. 3.992 million has been disbursed up to end-December, 2020.

Small & Medium Enterprises Development Authority (SMEDA):

During 2020-21, SMEDA accomplished the following:

- Under the National Business Development Programme for SMEs, a PSDP funded project, SMEDA conducted 108 training programmes with 6,158 participants during July-December 2020 and established 16 stitching units by providing grant of 60 percent of machinery cost of stitching units.
- Since the launch of SMEDA One Window in September 2020, around 37 applications have been received while Letter of Intent (LOI) has been issued to 31 applicants.
- During the period, SMEDA facilitated 3,797 SMEs and provided Rs. 178.48 million loans, conducted 117 Training Programmes and 67 Thematic Helpdesks, and developed 38 Pre-

Feasibility Studies and 6 Business Plans. In addition, around 14 Cluster and District Economic Profiles Development and OTC products were also developed.

Employees Social Security Institution (ESSI) extended social security services to 90,000 workers of industrial and commercial establishments along with their 540,000 dependents, details are presented in Annex Table 5.5.

Workers Welfare Fund (WWF) achievements during the period in the form of disbursement in the event of marriage, death grant & scholarship among the workers are presented in Annex Table 5.6.

Provincial and Area Government's Initiatives for Poverty Alleviation

Government of the Punjab

- **Southern Punjab Poverty Alleviation Project (SPPAP)** was launched in collaboration with IFAD. The project has benefitted 232,450 poor households under various interventions in the 10 poorest districts of Punjab by enhancing the employment potential of the people and increasing agricultural productivity and production through assets transfer, vocational training, small scale community physical infrastructure (CPI) schemes, and low-cost housing for poor women.
- **Punjab Social Protection Authority (PSPA)** implemented following programmes during 2020-21:
 - i. **Unconditional Cash Transfer for Persons with Disabilities** of Rs. 1,500 per month. Furthermore, Rs. 2,000 per month has been provided to incapacitated or disabled persons with a PMT score of 20 or below. Total number of beneficiaries is around 63,000.
 - ii. **Income Generation Programme for Persons with Disabilities** enables Persons with Disabilities (PWDs) to achieve self-sustenance through microenterprises supported by interest-free loans. PSPA has provided Rs.180 million funds for loan disbursement to persons with disabilities. Around 14,500 people have obtained loans under this scheme.
 - iii. **Zevar-e-Taleem Programme** is a conditional cash transfer programme. A monthly stipend of Rs. 1,000 is being given to the girls of secondary government schools conditional on 80 percent attendance. Total number of beneficiary girls is around 700,000.

Punjab Ehsaas Programmes

- **Sila-e-Funn Programme** is an unconditional cash transfer programme. PSPA is disbursing Rs 5,000 per month to the artists aged 50 and above and having experience of 25 years in their respective fields with monthly income below Rs. 15,000. In total 1,918 deserving artists have benefited from this initiative during 2020-21.
- **Ba-himmat Buzurg Programme** currently provides low-income elderly females of age 65 years and above with Rs. 2,000 per month. The number of beneficiaries, so far, is 50,000.
- **Punjab Human Capital Investment Project (PHCIP)** envisages to increase the access to quality health services, economic and social inclusion of vulnerable groups through life-cycle approach. The project will be rolled out in phased manner in 11 poorest districts

selected on the basis of Multidimensional Poverty Index. In the first phase, PHCIP has started working in Bahawalpur and Muzaffargarh districts.

Government of Sindh

- **Union Council Based Poverty Reduction Programme (UCBPRP)** with the specific objectives to reduce poverty; and improve quality of life of poor and marginalized communities through social mobilization, capacity development; asset creation and income generation. The programme is being implemented through Rural Support Programmes (RSPs).
- **Peoples' Poverty Reduction Programme** has been further extended in six districts i.e., Badin, Khairpur Mirs, Mirpurkhas, Sanghar, Thatta and Umerkot, at the cost of Rs. 6.351 billion. The programme was started in 2017 through implementing partner Sindh Rural Support Organization (SRSO). Agreement was signed with SRSO on 28th January, 2020 for implementation of Expansion of Peoples' Poverty Reduction Programme in districts of Ghotki and Sukkur at a total cost of Rs. 5.99 billion.

Government of Khyber Pakhtunkhwa

- **Annual Development Programme (ADP)** allocations for poverty alleviation has significantly increased from 4 percent in 2018-19 to 14 percent in 2020-21. Under the ADP 2020-21, the Government has initiated targeted sectoral programmes to uplift least developed areas with the objective to reduce regional disparities. Some of prototype programmes directly contributing to poverty alleviation (SDG-1) are:
 - Least Developed District Uplift Programme
 - Kohat Division Development Project
 - Regional Development Initiatives for achieving SDGs
 - Malakand Area Development Programme
 - Special Development Package, District Torghar
 - Special Integrated Area Development Package for South Waziristan District
 - Special Integrated Area Development Package for North Waziristan District
 - Economic Revitalization of District North Waziristan – Compensation for Businesses Lost
 - Peshawar Uplift Programme
 - Poverty Alleviation through Development of Rural Poultry in Khyber Pakhtunkhwa
 - Poverty Reduction through NTFP Activities in District North Waziristan.
- **Sehat Sahulat Programme** upscaling in the province will help in poverty alleviation by reducing health-related household expenditures. Under this programme, the limit of secondary health care of each individual is Rs. 40,000 per annum¹¹ and the limit of priority health care for whole family will be Rs. 400,000 per annum. Diseases that are covered under this programme are (i) Heart Diseases (Angioplasty/Bypass) (ii) Diabetes Mellitus (iii) Burns and RTA (Life, Limb Saving Treatment, Implants, Prosthesis) (iv) End Stage Kidney Diseases/ Dialysis (v) Chronic Infections (Hepatitis/HIV) (vi) Organ Failure (Liver, Kidney, Heart, Lungs) and (vii) Cancer (Chemo, Radio, Surgery)

¹¹ <https://sehatsahulat.com.pk/images/resource/KP-Brochure.pdf>

Government of Balochistan

Government of Balochistan undertook following projects in poverty and social welfare sector:

- Establishment of Social Protection & Poverty Alleviation Authority
- Gawadar Lasbella Livelihood Support Project (GLLSP)
- Growth for Rural Advancement & Sustainable Progress (GRASP)
- Balochistan Economic Development Programme (Phase-II)
- Balochistan Rural Development and Community Empowerment Programme (BRACE)
- Balochistan Livelihood and Entrepreneurship Project (BLEP)
- Balochistan Medical Support Programme

Gender Equality and Sustainable Development

The present government recognizes the relevance of gender equality to the national mandate of achieving growth and prosperity, and the responsibility to ensure that the national policies and programmes serve women and men equitably. Women constitute 48.7 percent of Pakistan's population. According to the 2021 Global Gender Gap Index (GGGI), Pakistan has moved down from 151st to 153rd ranking, now fourth to last globally.

The complete potential of 48.7 percent of the country's population remains barred through inequality of opportunities across multiple dimensions. The literacy level of men is 71.1 percent compared to 46.5 percent for women, resulting in less numbers of independent women. Although an estimated 60 million women are of working age, only 22.6 per cent participate in 'paid' labor (GGGI 2021).

In 2020-21, under the Ministry of Human Rights and the Poverty Alleviation and Social Safety Division, funds amounting to Rs 271 million were allocated for women empowerment. Furthermore, all programs under *Ehsaas* have women quota.

Through multiple consultations and following the dismal national standing on international gender development indices, the government has highlighted gender equality as a high priority goal. The establishment of Social Sector Accelerator will facilitate evidence-guided policy reforms and stimulate development of key intervention packages, while engaging national and international experts to expedite the closing of gender gap across employment, education and political participation by identification of and supportive supervision to priority reform interventions in 2021-22. While the Agenda 2030 and global gender gap provides a framework, there are key sectoral challenges that need to be addressed in mainstreaming gender and designing gender-transformative policies and programmes, as the priorities are set for 2021-22.

Cities as Engines of Inclusive Economic Growth

The process of urbanization and economic development in Pakistan has been mutually interdependent. Consistent with the global trend, the urban centers in Pakistan, have also become the drivers of economic growth. It is estimated that cities contribute around 80 percent of the country's GDP. To achieve the sectoral objectives, an allocation of approximately Rs. 26 billion was made in PSDP 2020-21 to different federal ministries and line departments for implementation of physical planning & housing sector programmes / projects. Similarly, the provincial governments also allocated substantial amount for the

execution of projects relating to the sector, i.e., Punjab Rs. 37.9 billion, Sindh Rs. 11.39 billion, Khyber Pakhtunkhwa Rs. 17.84 billion, Balochistan Rs. 6.21 billion and Azad Jammu and Kashmir Rs. 6.41 billion.

The Ministry of PD&SI has launched a National Programme to mitigate COVID-19 impact with an outlay of Rs. 70 billion. An amount of Rs. 49 billion (approx.) has been allocated in PSDP 2021-22 to implement physical planning and housing sector programmes by various ministries / divisions and departments as per the following:

- Formulation of urban contingency plans to mitigate and adapt to the crises as well as restoration/recovery plans to manage post-crisis scenarios. Urban contingency plans will focus on adopting a combination of proactive surveillance, routine communication, rapid isolation and personal and community protection measures. Urban contingency plans will include pandemic laws and crisis management regulations; guidelines for urban design retrofits; and digital plans with use of ubiquitous technology for geo-fencing, location finding, and community engagement.
- Preparation/development of Integrated Strategic Development Plans as well as Smart City Master Plans for cities on CPEC corridor, including Gwadar.
- Promote public-private partnership for housing and new urban centres on the build own operate and build operate transfer (BOO and BOT) basis.

Naya Pakistan Housing Programme (NPHP)

Naya Pakistan Housing Program is a targeted response by the present government to address the deficit of affordable housing for the citizens. Under the NPHP, a well-crafted housing policy has been adopted to not only provide affordable housing facility to the homeless and low-income population, but also to accelerate domestic economic activity, attract foreign direct investment, improve financial sector, and provide job opportunities to the youth.

It has been estimated that affordable housing deficit is around five million units in five years in urban and rural areas of Pakistan. The housing policy would phase out the target of constructing one million housing units per year with: (i) 0.4 million units/year in the Rural Areas, (ii) 0.2 million units/year in Peri-Urban areas under Social Housing Schemes, and (iii) 0.4 million units/year in the Urban Areas.

Box 1: Mortgage and Construction Finance

- Regulatory Incentives to Banks to Promote Low Cost and Affordable Housing Finance through SBP:
 - Cash reserve requirements
 - Lower Tax Rate & Lower Provisioning Requirements
- Markup subsidy especially for affordable housing. Mortgages are offered upto 20 years @ 3 percent, 5 percent, & 7 percent depending on the size and value of the house.
- Target for housing finance - at least 5 percent of private sector credit by December 2021 amounting to Rs. 378 billion.
- Risk Insurance by PMRC (40 percent first loss) - Lower Risk-Weights for Low-Cost Housing Finance.

In 2020-21, Naya Pakistan Housing and Development Authority (NAPHDA) has made landmark achievements including 1,320 low-cost housing units at Jalozi Housing Scheme, Nowshera; low-cost housing project in Sargodha district of Punjab under Punjab Government peri urban scheme; LDA City Naya Pakistan Apartments in Lahore; and 4,000 apartment housing project at Farash Town Islamabad. The key features of mortgage and construction finance initiatives is presented in Box-1. Furthermore, the Federal Government Employees

Housing Authority (FGEHA) has launched two new projects in Islamabad / Rawalpindi for provision of apartments to the Federal Government Employees under PM's Naya Pakistan Housing Program.

For 2021-22, the focus will be on construction of low-cost houses under Naya Pakistan Housing Programme with one million housing units made through Ministry of Housing & Works, Pakistan Housing Authority, National Housing Authority, NAPHDA and FGEHA; regularization/improvement/ integration of *Katchi Abadis*; regeneration/ revitalization of prime government land; and construction of Mega Housing Projects on PPP mode.

Expanding Outreach through Upgrading Digital Media Platforms

According to Pakistan Social and Living Standards Measurement (PSLM) Survey 2019-20, 71 percent of individuals used internet social communication, while 7 percent were using for banking and online shopping. The tele-density has showed exponential growth during 2020-21 as according to the Pakistan Bureau of Statistics, 98 percent of households own a mobile phone whereas penetration of mobile phone services remained more than 81 percent. Similarly, there are 183 million and 101 million cellular and broadband subscribers, respectively, in the country.

An amount of Rs360.92 million was earmarked to nine ongoing and one new project of Ministry of Information & Broadcasting in PSDP during 2020-21 for improving transmission, production, programming, quality of audio and video signals and increasing the coverage area. Expected utilization is about Rs237.39 million by end-June, 2021. Sub-sectoral physical and financial details are given in the following paragraphs:

Pakistan Television Corporation (PTVC)

An amount of Rs.240.92 million was earmarked to state-owned TV broadcaster for six ongoing and one new project of PTVC in PSDP 2020-21, out of which, Rs150.11 million are expected to be utilized by June, 2021. Work on the project titled "Moderation of Cameras and Production Equipment of PTV" remained in progress during 2020-21 and is expected to be completed by June, 2022. The project titled "Pilot Project DTMB-A Digitalization of Terrestrial Network of PTV (Chinese Grant in Aid) has been approved by CDWP at a cost of Rs. 3,900.10 million including GoP share of Rs. 4.650 million.

Pakistan Broadcasting Corporation (PBC)

PBC, a state-owned radio broadcaster for which an amount of Rs. 120 million was allocated in PSDP 2020-21 for three ongoing projects, out of which, Rs. 87 million is expected to be utilized by June, 2021. The work on two AJK region projects i.e. "Rehabilitation of Medium Wave Services from Muzaffarabad (AJK)", "Replacement of Medium Wave Transmitter at Mirpur (AJK)" remained in progress during 2020-21. Similarly, the work on "Establishment of 100 KW MW Radio Station in Gwadar" also remained in progress during 2020-21. These projects are for strengthening of radio coverage, providing high quality radio signal to 10 million people in a radius of 150 KM in and around Mirpur city and extension of radio coverage to areas of south east Baluchistan, coastal areas, CPEC route and shipping vessels in Arabian Sea, respectively.

The agency-wise allocation for 2021-22 for Mass Media sector is Rs.1,899.68 million (Annex Table 5.7).

Preserving National Heritage and Traditional Lifestyle

The present government is committed to engage people belonging to different regions, ethnic groups, cultures and religions to build cultural harmony while maintaining cultural distinctiveness to promote inclusivity and societal participation. The National Institute of Folk and Traditional Heritage (*Lok Virsa*) holds festivals where the living culture of all provinces, GB and AJK is showcased, including events organizing aimed at promoting interfaith harmony and culture of tolerance among all segments of the society and recognizing society's diversity to promote inclusive society. Many initiatives have been taken by the provinces for protection of minorities such as putting ban on hate speech & literature, limiting unnecessary use of loud speaker and promotion of religious diversity through cultural and religious tourism. Financial allocations for major initiatives for the protection of minorities (out of PSDP) are listed below:

- Financial Assistance under Minorities Welfare Fund (MWF) – 3186 beneficiaries belonging from minority communities were provided financial assistance amounting to Rs. 12.38 million in 2020-21.
- Minorities Students Scholarship Programme – Rs. 37 million were granted to 2,866 students of minority community in 2020-21.
- A grant of Rs. 50,000/- for marriage of daughters of widow/orphan girls of Minority Community on case-to-case basis
- Small Development Schemes for repair and maintenance of religious/worship places of minorities amounting to Rs. 26 million
- In emergency crisis faced by minorities in different areas of the country, financial help of Rs. 300,000 to Rs. 500,000 being extended to victims and their families on case-to-case basis

The Government is cognizant of the issues faced by the minorities and is committed to protecting their lives, properties and uplift their socio-economic status in the country. The vision of *Riasat-e-Madinah* is a merit-based welfare state without any discrimination strengthening the promotion of religious pluralism and interfaith harmony.

The various PSDP programmes aimed at strengthening human rights during 2020-21 are presented in Annex Table 5.8. Similarly, welfare of writers, promotion of literature and creation of peace and harmony in the society are the key objectives of this sector. An amount of Rs.194.74 million in PSDP 2020-21 was earmarked for nine on-going and one new project of National Heritage & Culture Division for strengthening of existing facilities at Pakistan Academy of Letters, Pakistan National Council of Arts (PNCA), Lok Virsa, National Library of Pakistan and Department of Archaeology & Museums (DOAM). The allocations for National Heritage & Culture sector for 2020-21 and allocations for 2021-22 is presented in Annex Table 5.9.

Chapter 6 | **STRENGTHENING THE FEDERATION**



LEGISLATIVE AND INSTITUTIONAL SUPPORT

SHARED PROSPERITY
**SOCIAL &
REGIONAL
EQUALIZATION
PLAN**

**PLAN FOR ACCELERATED
DEVELOPMENT FOR
SOUTHERN BALUCHISTAN**

**GILGIT BALTISTAN & AJK
DEVELOPMENT PACKAGE**

**RESOURCE TRANSFER
&
BUILDING CAPABILITIES**

**10 YEARS UP LIFT PLAN FOR
MERGED DISTRICTS OF KP**

**KARACHI TRANSFORMATION
PLAN**

CHAPTER 6

STRENGTHENING THE FEDERATION - LEAVING NO ONE BEHIND

Balanced development is prerequisite for equitable growth and societal stability. It requires utilization of development potential of all areas by pursuing balanced distribution of public resources among different regions to attain equitable economic growth and elimination of regional disparities prevailing in the country. Based on the incidence of poverty and existing socio-economic disparities in different regions, the present government has identified 67 districts in four provinces as less developed areas (Annex Table 6.1). Moreover, Azad Jammu & Kashmir (AJ&K), Gilgit Baltistan (GB) and merged districts of Khyber Pakhtunkhwa (KP) are included in the list of less developed areas.

In Pakistan, deprivation in the form of poverty and unequal distribution of resources is evident from the fact that about 50 million people live below the national poverty line¹² as per available estimates, but the numbers increase significantly when disaggregated at provincial levels. Incidence of poverty¹³ as measured through Multidimensional lens is highest in Balochistan (71.2 percent), followed by Gilgit Baltistan (43.2 percent), with higher poverty incidence in rural areas (84.6 percent and 49.0 percent respectively) than urban centres, reflecting low incomes of the people and a dire need of public investment to stimulate economic activity. The latest Pakistan Social and Living Standards Measurement (PSLM) Survey 2019-20 also indicates poor situation of health¹⁴ and education¹⁵ indicators in Balochistan as compared to other provinces.

Inter Provincial Coordination and Implementation of SDGs

The Council of Common Interests (CCI) has approved establishment of a dedicated Secretariat in April 2021, which will backstop its functioning and monitor implementation. This institutional development will further strengthen federal – provincial collaboration on matters pertaining to Federal Legislative List Part-II. The present government has convened six meetings of the CCI during the past eighteen months, which highlights importance accorded to resolving inter-provincial issues.

After 18th Amendment, the provincial governments have greater responsibility to implement SDGs. The availability of district level data is the focus of 2021-22 SDGs monitoring and reporting. Latest PSLM 2019-20 is complete, computing 21 district level SDGs indicators, 13 indicators among those are calculated for the first time. The horizontal coordination among the ministries/departments and vertical coordination with the provinces and federal administered areas is vital in building the synergies.

12 The latest available Cost of Basic Needs (CBN) poverty headcount, 24.3 percent, estimated using HIES data for 2015-16. Annual Plan 2020-21, Planning Commission. Pp. 185.

13 Report on Multidimensional Poverty in Pakistan 2014-15. Chapter 3, Pp. 15.

14 (i) Lowest (52 percent) percentage of Deliveries Assisted by Skilled Birth Attendant (ii) Lowest percentage of (35 percent) Children with complete Immunization. Key Finding Report of PSLM District Level Survey 2019-20.

15 (i) Highest percentage of Out of School Children (47 percent), (ii) Lowest percentage of 10 Years and Older Literacy (46 percent). Key Finding Report of PSLM District Level Survey 2019-20.

The NEC sub-committee on SDGs was constituted under the chairmanship of Minister of Planning, Development & Special Initiatives for strategic guidance and oversight. In 2021-22, each federal ministry/department will constitute and notify working group for finalization of targets as well as action plans to achieve those targets. The first meeting of NEC Sub Committee on SDGs was held in January 2021.

During 2021-22 partnerships will be strengthened for the “Decade of Action” which will help establish working groups for coordination and measurement of their contribution in SDGs achievement (data sharing, capacity building, innovative practices, leveraging IT for SDGs). Another focus will be on strengthening the capacities of key government statistical institutions such as PBS and provincial statistical bureaus which will include human resource capacity building and provision & improvement of basic IT infrastructure. The establishment of SDGs innovative labs in collaboration with universities in public and private sector will provide scalable innovative solutions of complex problems.

Lack of effective communication is identified as one of the weaknesses of SDGs programme and thus implementation of National SDGs Communication Strategy will be a major activity in 2021-22. This will include development of digital contents and targeted social media campaigns for enhanced SDGs awareness.

Cooperative Federalism and the Regional Equalization Programmes

Cooperative federalism is the core of Regional Equalization Programmes that are based on the following two verticals: (i) Legislative and institutional support, and (ii) Resource transfers, which are well targeted to address imbalances in social indicators, local service delivery, equitable access to job opportunities and various provisions for decent living of the people living in less developed districts to attain regional equalization.

The government has announced three broad initiatives focusing to improve regional economy, enhance skilled manpower & employability, and reduce income inequality in targeted areas of Southern Balochistan, GB and Karachi, namely (i) Accelerated Development Plan for Southern Balochistan; (ii) Gilgit Baltistan Development Package; and (iii) Karachi Transformation Plan. Moreover, a comprehensive ten-year development plan is being implemented for the uplift of merged districts of KP in three phases. In addition, the government has also adopted a wide-scoped *Ehsaas* Programme; Agriculture Fiscal Package; Construction and SME Packages; and *Kamyab* Jawan Programme to generate opportunities for social advancement and livelihood for the people. Common objectives of Regional Equalization Programmes are:

- i. Improving standard of living of people residing in less developed special areas to bring them at par with rest of the country.
- ii. Reducing regional disparities and improving socio-economic conditions of the people residing in special areas.
- iii. Ensuring sustainable growth through development of local potential (tourism, mineral development, energy resources) of special areas.
- iv. Alleviating poverty through capitalizing potential local resources.
- v. Enhancing Human Development Indicators including health, education, water & sanitation and immunization.

- vi. In prevailing COVID-19 situation improving livelihood support, social protection and food security for the people residing in less developed areas.
- vii. Improving COVID-19 health facilities in special areas including testing & treatment facilities in far flung areas of AJ&K and GB.

Accelerated Development Plan for Southern Balochistan

Southern Balochistan, the most underdeveloped area of the country requires immediate intervention through formulation of a robust development plan. Hence, nine districts of Southern Balochistan (Washuk, Lasbela, Gwadar, Panjgur, Turbat/Kech, Khuzdar, Awaran, Kharan, Chagai) have been identified, under direction of the Prime Minister, as most deprived zones in need of targeted interventions to upscale the economic activity for betterment of the local people.

Establishment of Precision Systems Training Centre (PSTC) and PCSIR Laboratories at **Gwadar**, Baluchistan are also underway. These laboratories at Gwadar will not only create jobs but will also play a vital role in the economic development by providing testing facilities to the local industries in food safety and security, building materials, minerals, water testing and fisheries and chemicals. Land measuring 5 acres has been acquired from the Gwadar Development Authority (GDA) and construction of building is almost complete. Now furniture and fixture are being purchased.

Thirty projects with total cost of Rs 135.5 billion in Transport, Water, Power & Fuel, Agriculture, Industries & Commerce and Education sectors will be implemented by the government under the PSDP 2021-22 (Annex Tables 6.2).

Gilgit Baltistan (GB) Development Package

The GB province encompassing area of 72,496 sq. kms and population of 1.5 million has the potential for developmental investment in hydel energy, mineral and tourism sectors. However, development in GB faces four main challenges: (i) a mountainous terrain, making development activities difficult; (ii) contains geographically dispersed population causing high cost of service delivery; (iii) lags behind in private and public sector investments with minimal development infrastructure; and (iv) lacks institutional capacity due to its nominally autonomous constitutional status.

Hydro power generation remained an integral part of GB-ADP and to utilize this potential, the sector remained major recipient of the allocation during 2020-21 and work on regional grid in GB is in process. In addition, projects with installed capacity of 198.6 MW have been implemented. During 2020-21, 20 power generation projects completed.

For infrastructure, 460 km shingle roads were constructed, 240 km shingle roads were upgraded to metalled roads, 45 bridges of all types and 8 km of irrigation channels were constructed, and 7 water purification plants were also installed.

More than 500 students' availed scholarships during 2020-21 and female education was given top priority with special focus on districts with low indicators.

GB government has initiated an economic transformation project costing Rs. 17 billion. The project would bring 50,000 acres of additional land under command, and construct 400 KM farm to market access roads.

Through Gilgit Development Authority and Skardu Development Authority, public parks, libraries, open spaces, and recreational centres, in both largest urban centres of GB are being constructed and larger proportion of physical work has been completed. To address environmental issues, integrated approach for drinking and sewerage system has been adopted for all district headquarters.

Azad Jammu & Kashmir (AJ&K)

During 2020-21 in AJ&K, 199 development schemes were completed. In infrastructure sector, 580 km double lane, 435 km link roads, and 200 km irrigation channels were rehabilitated/constructed. In power sector, 20,000 consumers were provided with electricity connections and Hydel power generation of 19.5 MW is in progress to be added in the system.

For education sector, 200 educational buildings have been constructed/ upgraded and IT labs were established in 250 middle and high/higher secondary schools. Skill trainings were imparted to 4,500 individuals including 2,500 women. One tourist resort, 3 sports stadiums and 1 polytechnic institute were constructed. To provide employment opportunities, 30,000 entrepreneurs were provided affordable credit.

Newly Merged Districts of Khyber Pakhtunkhwa

In Newly Merged Districts (NMDs) of KP, comprising of seven districts, the Federal government allocated Rs. 24 billion for 828 ongoing schemes during 2020-21. The allocated amount of NMDs was distributed amongst 33 different sectors/sub-sectors. A total of 455 schemes under various sectors have been completed.

In order to ensure efficient utilization of funds, the government has adopted “Accelerated Implementation Programme (AIP) for 3 years 2019-22 (1st phase), to address the key developmental gaps in the NMDs. AIP is the first three-year programme under the Tribal Decade Strategy (TDS) of the government that seeks to address exiting developmental disparity of the NMDs. Under the Programme, 93 schemes have so far been approved by PDWP to mainstream these areas and to bring its socio-economic indicators at par with rest of country. Rs. 48 billion were allocated during 2020-21.

One of the transformative development activities currently under implementation is Khyber Pass Economic Corridor (KPEC) project, which is a new four-lane Peshawar-Torkham Expressway that will enable a safe high-speed travel by multi-axle commercial vehicles. KPEC will emerge as a vital link in the road connectivity from Karachi to Dushanbe via the Khyber Pass as envisaged in CAREC Corridor 5. This project would also integrate the NMDs into national communication and economic connectivity. Besides improved road connectivity and reduced travel time, the KPEC is expected to create up to 100,000 jobs in Khyber Pakhtunkhwa.

Karachi Transformation Plan

Karachi, being a lead metropolitan city of the country, faces major challenges due to urbanization and urban sprawl. During the monsoon season in 2020, heavy rains hit Karachi resulting in massive urban flooding. Keeping in view the rising population in the city, both the Federal and provincial governments have decided to work jointly for improving the civic amenities of the city under the Karachi Transformation Plan.

Federal government through NDMA, Ministry of Water Resources/ WAPDA, SIDCL and Pakistan Railways, intends to invest Rs. 614 billion in the next three years through PSDP,

Public Private Partnership (PPP) and donor funding for Karachi infrastructure improvement. Areas of focus are: Water Supply, Sewerage Treatment and Disposal, Solid Waste Management, Storm Water Drains, Improvement/ Rehabilitation of Internal Roads and Mass Transit Systems. Major projects undertaken by the Federal government are given in the Annex Table 6.3.

Initiatives under Water Sector for 2020-21

Southern Balochistan Package, 10 new projects (small recharge & check dams) costing Rs. 49.7 billion were approved for flood mitigation, recharging of groundwater, protection of local abadies/ infrastructure and provision of drinking water supplies to local population.

Concept Clearance has been accorded for installation of 45 Flood Telemetry Hydromet/ early Warning Stations (to have real time data of hydro-meteorological parameters and digital monitoring and management system) costing US\$ 5.0 million. Similarly, another project “Implementation of Sino Pakistan Smart Water Management Project” costing Rs. 3.5 billion was conceptually cleared to set-up information monitoring system to monitor the real-time rainfall, water level, water flow, automatic weather data in the Upper Indus Basin upstream of Tarbela Reservoir.

Flood Protection Sector Project-III (FPSP-III) of NFPP-IV costing Rs. 96 billion will be implemented in the next five years. Major objectives of the project are: (i) reduction in flood losses in an economically sound manner, (ii) protecting urban & rural abadies, agricultural lands besides, vital infrastructure installations, (iii) upgradation of existing flood forecasting & warning facilities for better flood forecasting, and (iv) upgradation/strengthening of Flood Telemetry Network.

Karachi Transformation Plan (Storm Water Drains Projects)

The Karachi Transformation Plan (KTP) includes restoration and revamping of various Nullahs and Rivers. Under this umbrella programme, following four Water Sector projects amounting to Rs. 34.5 billion were initiated on fast-track basis to cater against the rain water harvesting/urban flooding: (i) Mehmoodabad Nullah and its tributaries (Total Cost= Rs. 8.7 billion), (ii) Gujjar Nullah (Total Cost=Rs. 9.6 billion), (iii) Orangi Nullah (Total Cost=Rs. 8.7 billion) and (iv) Lyari & Malir Rivers with associated tributaries (Total Cost= Rs. 7.6 billion)

Special Initiatives for Gilgit Baltistan and Southern Balochistan (under Manufacturing Sector)

In order to develop GB and Southern Balochistan and bring them at par with other areas of the country by tapping potential of natural/human resources, tourism perspectives, geostrategic location, the government has recently announced packages for these two areas. Under these packages, new development projects proposed for these areas are detailed at Annex Table 6.4. During 2020-21, funds provided to special areas by federal government, in the form of block allocation, were utilized in multiple sectors as per the priorities of the local administrations.

Planned PSDP Activities for 2021-22: Regional Equalization Programme

In **AJ&K** sectoral targets during 2021-22 includes construction of 225 km of rural roads, 640 km double lane and 725 km of link roads, construction/up-gradation of 250 buildings of educational institutions, 300 IT labs in Middle, High/Higher secondary schools,

skill trainings in various disciplines to 6,600 individuals including 2,600 women, 3 IT excellence centres and 1 polytechnic institution. Electricity connections will be provided to 25,000 consumers, 3 grid stations will be constructed and Hydel power generation of 19.5 MW is in progress. Micro credits will be given to 15,000 farmers and 12,000 bags of certified seeds will be provided to increase agricultural productivity. For development of tourism sector tourist resorts will be constructed at potential site.

In **GB**, during 2021-22, 1,800 km shingle roads, up gradation of 900 km shingle to metalled roads, and 140 bridges has been planned. 140 new bridges will be constructed and 235 suspension bridges will be converted into RCC. In power sector, 22 Power Generation Projects will be completed during 2021-22 which will generate 32.1 MW of electricity. Exploration and feasibility study for identification of iron and copper locations will be carried out in entire Gilgit Baltistan. Remote Sensing (RS)/Geographical Information System (GIS) will be established in Gilgit Baltistan Mines & Mineral Directorate. 30 TVET institutions will be established and 150 & 100 existing primary & high schools to be upgraded, respectively. Moreover, 40 Girls Couching Centres will be established to cater to the Middle and High School Education for the graduates of Home-Based School at Diamer in collaboration with the Allama Iqbal Open University. Scope of existing micro finance programme will be enhanced for young entrepreneurs to establish tourism related infrastructure in the region. Under Gilgit Baltistan socio-economic uplift development package, various schemes would be initiated for GB to upgrade the road infrastructure, electricity projects, protection of environment and promotion of tourism.

In addition to above, Federal government has initiated GB Development Package consisting of various projects in different sectors, details of which are presented in Annex Table 6.5.

In **Newly Merged Districts of KP**, during 2021-22, construction of “Zayara to Daboori Road, Aurakzai Agency, Construction of “Chao Tangi Small Dam and “Approach Road to Koh-e-Sulemaini Darzinda” has been planned. Focus is being extended to the Merged Areas for investment under CPEC programme for greater connectivity to these areas.

Under the **Southern Balochistan Development Plan** an amount of Rs. 20 billion has been allocated during 2021-22, under various projects, with a special focus for the development of southern districts of Balochistan province. The package includes projects to connect the rural markets of the province with major markets of the country, development of agro-markets, provision of water, electricity, e-commerce, health & education facilities etc. Under this development plan, various dams will be also constructed to irrigate land.

All efforts will be made to assist in the development of human resources in S&T sector in less developed districts of Pakistan. Both PCSIR and NAVTCC are committed to train technical manpower for operation, maintenance and repairing of sophisticated scientific instruments and strengthening of Triple Helix model of innovation which refers to a set of interaction between research, academia and Industry. A summary of agency-wise PSDP block allocation for 2020-21 and 2021-22 is presented in Annex Tables 6.6 and 6.7.

Building National Infrastructure and Regional Connectivity under the CPEC

Under the CPEC, Gwadar port in the Southwest of Pakistan would connect to China’s North-western region of Xinjiang via a network of highways and railways, covering the entire country from North to South through three different alignments: Eastern, Western and Central Alignments. Road infrastructure on the Eastern Alignment is complete with the exception of Sukkur-Hyderabad section and it is due to start in 2021-22. On the Western

alignment, Hakla-DI Khan Road CoD is expected to be completed in the first quarter of 2021-22. Remaining projects on the alignment have either been completed or under implementation. The central alignment is expected to start in the third phase of CPEC. Progress made under CPEC during 2020-21 is summarized in Annex Table 6.8 and projects expected to be implemented in 2021-22 are given in Annex Table 6.9.

Planned Activities for 2021-22

In Industrial cooperation, out of the nine prioritized special economic zones, four economic zones namely Rashakai SEZ, Allama Iqbal Industrial Zone, Dhabeji SEZ and Bostan SEZ have been placed on the priority list. Work on utilities provision such as gas and electricity have already been started and sufficient supply will be ensured to effectively run the economic zones. Power requirements for Rashakai, Allama Iqbal, Dhabeji and Bostan SEZs are respectively, 210 MW, 375 MW, 250 MW and 50 MW, whereas, gas requirements are 30, 40, 30 and 10 MMCFD, respectively.

In the socio-economic sector, out of 27 projects identified under poverty alleviation, health, education, vocational training, agriculture and water supply, all 17 fast track projects will be implemented in 2021-22. Scope and content of the remaining 10 priority projects have been mutually shared, and letter of exchanges (LoEs) will be signed in the planned year.

Tourism promotion as part of the Long-Term Plan is another area of cooperation under CPEC framework. Coastal tourism, eco-tourism in Gilgit-Baltistan, and integrated tourism zones in Khyber Pakhtunkhwa are among the areas in the tourism sector to be opened up for deliberation in 2021-22.

STATISTICAL ANNEXURES

STATISTICAL ANNEXURES

Chapter 1: State of The Economy

Table 1.1 Gross Domestic Product

(Base: 2005-06)

Items	2018-19	2019-20	2020-21		2021-22
	Final	Revised	Target	Prov.	Target
1. COMMODITY PROD. SECTORS	-0.5	-0.3	1.5	3.2	5.0
A) AGRICULTURE	0.6	3.3	2.8	2.8	3.5
Important Crops	-7.7	5.2	1.9	4.7	2.2
Other Crops	2.6	8.1	1.5	1.4	3.2
Cotton Ginned	-12.7	-4.8	0.9	-15.6	10.0
Livestock	3.8	2.1	3.5	3.1	3.7
Fishery	7.3	3.6	2.1	1.4	5.0
Forestry	0.8	0.6	1.5	0.7	5.0
B) INDUSTRY	-1.6	-3.8	0.1	3.6	6.5
Mining & Quarrying	1.2	-8.3	0.5	-6.5	4.1
Manufacturing (I+II+III)	-0.7	-7.4	-0.7	8.7	6.2
I) Large-Scale Manufacturing	-2.6	-10.1	-2.5	9.3	6.0
II) Small & Household	8.2	1.5	6.0	8.3	8.3
III) Slaughtering	3.5	4.1	3.3	3.9	3.6
Construction	-15.5	5.5	3.5	8.3	8.3
Electricity Generation & Gas Distribution	13.6	22.4	1.4	-23.0	10.7
II) SERVICES	3.8	-0.6	2.6	4.4	4.7
Transport, Storage & Communications	4.6	-3.8	1.1	-0.6	4.7
Wholesale & Retail Trade	1.1	-3.9	0.9	8.4	4.6
Finance and Insurance	4.5	1.1	3.0	7.8	5.2
Housing Services	4.0	4.0	4.0	4.0	4.0
General Government Services	5.2	1.0	4.6	2.2	4.5
Other Private Services	6.2	4.6	4.2	4.6	5.0
GDP(bp)	2.1	-0.5	2.1	3.9	4.8

***Source: PBS and Planning Commission

Table1.2: Macroeconomic Framework

(Current Market Prices)

(Rs. Billion)

Item	2019-20	2020-21		2021-22
	Revised	Targets	Estimated	Targets
GDP (bP)	39,351	42,292	44,895	50,806
Indirect Taxes (Net)	2,205	3,275	2,814	3,070
GDP (mp)	41,556	45,567	47,709	53,876
Net Factor Income from Abroad	3,243	3,086	4,513	4,663
GNP (mp)	44,799	48,653	52,223	58,539
External Resources Inflow (net)	703	738	(33)	377
Total Resources /Uses	45,502	49,391	52,189	58,916
Total Consumption	39,132	42,342	44,934	50,292
Total Investment	6,370	7,048	7,255	8,624
Fixed Investment	5,705	6,319	6,492	7,762
Public incl. General Govt.	1,311	1,711	1,811	2,362
Private	4,394	4,608	4,681	5,399
Changes in Stocks	665	729	763	862
National Savings	5,667	6,310	7,289	8,247
As percent of GDP (mp)				
Total Investment	15.3	15.5	15.2	16.0
Fixed Investment	13.7	13.9	13.6	14.4
Public incl. General Govt.	3.2	3.8	3.8	4.4
Private	10.6	10.1	9.8	10.0
National Savings	13.6	13.8	15.3	15.3
External Resources Inflow (net)	1.7	1.6	0.1	0.7
Memo Items				
Inflation	10.1	6.5	9.0	8.0
GNP (mp) Per Capita (Rs.)	215,060	229,520	246,414	271,548

Source: PBS & Planning Commission

Table-1.3: Area & Production of Important Crops

	2019-20		2020-21		Percentage Change	
	Area 000, hect.	Production 000, Mton	Area 000, hect.	Production 000, Mton	Area FY20/FY21	Production FY20/FY21
Wheat	8805	25248	9178	27293	4.23	8.1
Maize	1404	7883	1418	8465	0.97	7.38
Rice	3034	7414	3335	8419	9.93	13.56
Sugarcane	1040	66380	1165	81009	12.05	22.04
Cotton	2517	9148*	2079	7064*	-17.42	-22.78

*Thousand Bales

Source: Pakistan Bureau of Statistics

Table-1.4: Area and Production of Other Crops

		(Area 000' hectares)		(Production thousand tonnes)	
Crops		2019-20 (R)	2020-21 Targets	2020-21 Achievement (P)	Changeover previous year (Percent)
Gram	Area	943.8	988	872.7	-7.5
	Production	497.6	544	261.2	-47.5
Potato	Area	185.4	188	234.4	26.4
	Production	4,552.7	4,696	4,681.0	2.8
Onion	Area	148.2	159	153.8	3.8
	Production	2,122.0	2,113	2,099.8	-1.0
Tomato	Area	57.8	50	59.0	2.1
	Production	594.2	548	670.5	12.8

Source: PBS, 103rd National Accounts Committee Meeting and MNFS&R**Table-1.5: Fertilizer Off-Take, Forecast and Achievement**

		(000' tonnes)			
Nutrient / Products	2019-20	Benchmark	2020-21* (Estimated)	Difference (Percent)	2021-22 (Forecast)
Nitrogen	3,414.7	3,331.8	3,753.6	9.9	3,500.5
Phosphate	1,083.7	1,158.4	1,259.7	16.2	1,277.1
Potash	50.2	43.0	65.4	30.3	47.4
Total (NPK)	4,548.6	4,533.2	5,078.7	11.7	4,824.9
Urea	6,015.3	5,748.2	6,386.2	6.2	6,039.2
D.A.P.	1,983.7	2,115.1	2,240.4	12.9	2,331.9

Source: NFDC, MNFS&R. * Figures from March onward are average of previous years.

Table-1.6: Irrigation Water Availability

(MAF)

Season	2019-20	2020-21
Kharif (Apr-Sep)	67.9	68.0
Rabi (Oct-Mar)	30.7	33.1
Total	98.6	101.1

Source: Indus River System Authority

Table-1.7: Production and Sale of Farm Tractors (July-April)

(Numbers)

Item	2018-19	2019-20	2020-21
Production	43,130	25,009 (-42%)	41,327 (65%)
Sale	43,172	25,562 (-41%)	41,456 (62%)

Table-1.8: Agricultural Credit -Targets and Disbursement

(Rs. Billions)

Financial institution/ Banks	2019-20 (Jul- Mar. 2020)			2020-21 (Jul- Mar. 2021)			Change over the period (Percent)
	Target	Disbursed	Achievement (Percentage)	Target	Disbursed	Achievement (Percentage)	
Commercial Banks (5 Major)	705	515.3	73.1	800	554.3	69.3	7.6
ZTBL	100	52.5	52.5	105	56.5	53.8	7.6
PPCBL	13	6.4	49.2	13	5.2	40.0	-18.4
DPBs	253.6	169.3	66.8	296	192.5	65.0	13.7
Islamic Banks	55	31	56.4	63	35.9	57.0	15.9
MFBs	184	115.2	62.6	182	92.8	51.0	-19.4
MFIs/RSPs	39.4	22.7	57.6	41	16.6	40.5	-26.7
Total	1350	912.2	67.6	1500	953.7	63.6	4.5

Source: State Bank of Pakistan

Table-1.9: Livestock and Poultry Achievements and Targets

(000' tonnes)

Items	2019-20 Actual (July-Feb)		2020-21 (July-Feb)		Percent Change 2019-20	Target 2021-22
	Target	Achievement	Target	Achievement (P)		
Meat	4708	3139	4955	3303	5.2	5219
- Beef	2303	1535	2380	1587	3.4	2461
- Mutton	748	499	765	510	2.3	782
- Poultry	1657	1105	1809	1206	9.2	1977
Milk (M. Lit.)	49738	33159	51340	34227	3.2	52996
Hides (M. Nos.)	18.1	12	18.8	12.5	3.6	19.4
Skins (M. Nos.)	59.5	40	60.8	40.5	2.1	62.3
Wool	47.3	32	47.9	31.9	1.2	48.4
Eggs (M. Nos.)	20133	13422	21285	14190	5.7	22512

Source: MNFS&R, Economic Survey, PBS

Table-1.10: Fisheries Achievements and Targets(000³ tonnes)

Items	2019-20 Actual	2020-21		percent Change Over		Target 2021-22
		Targets	Achievements (P)	2019-20 Actual	2020-21 Target	
Fish						
-Inland	303	306	305	0.66	0.99	315
-Marine	500	504	503	0.60	0.80	510
Total	803	810	808	0.62	0.87	815

Source: Marine Fisheries Department, Ministry of Ports and Shipping.

Table 1.11: Policy Initiatives (Manufacturing sector)

1	Electric Vehicles Policy
i	General Sales Tax (GST) of 1 percent on sales for five years. Sales Tax at import stage to be waived off (0 percent) to avoid refunds
ii	Exemption of 2-3 wheelers from Registration and Annual Token Tax. Reduction of toll tax to 50 percent for EVs
iii	Import of new EVs (2-3 wheelers) in CBU at 50 percent of the prevailing rate of Custom Duty (CD) to be linked with establishment of manufacturing facilities
iv	In CKD, EV specific parts/ chargers to attract 1 percent CD, ACD 0 percent, RD 0 percent, 0 percent VAT
v	CBU import may be made at CD 25 percent, ACD 0 percent, RD 0 percent and 0 percent VAT
vi	Duty free import of plant and machinery of EVs
vii	Import of 100 CBUs (4-wheelers) per company @ 50 percent of the prevailing CD
2	National SME Policy 2020
i	Market failure arising from externalities and information asymmetries present in markets
ii	Reduce cost of doing business by improving the regulatory environment
iii	Ease coordination problems arising from the lack of supply of critical infrastructure such as roads, energy, Information and Communications Technology (ICT) services etc. impeding SME growth
3	Textile and Apparel Policy 2020-25
i	Rationalization of tariff structure for Textiles and Apparel value-chain
ii	Improvement in fibre mix
iii	Creation of brand development and acquisition fund
iv	Mass level training in industrial stitching for women

Table-1.12: Structure of Savings and Investment (As percent of GDP)

Description	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Total Investment	15.7	15.7	16.2	17.3	15.6	15.3	15.2
Changes in Stock	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Gross Fixed Investment	14.1	14.1	14.6	15.7	14.0	13.7	13.6
- Public Investment	3.7	3.8	4.5	5.2	3.6	3.2	3.8
- Private Investment	10.4	10.3	10.1	10.5	10.3	10.6	9.8
Foreign Savings	1.0	1.7	4.1	6.1	4.8	1.7	-0.1
National Savings	14.7	13.9	12.0	11.3	10.8	13.6	15.3
Domestic Savings	8.6	7.8	6.5	5.9	4.1	5.8	5.8
<i>P: Provisional</i>							

Table-1.13: Consolidated Fiscal Operations (July-March 2020-21)

(Rs. billion)

Indicator	Jul-Mar 2019-20	Jul-Mar 2020-21	Percent Change	As Percent of GDP	
				Jul-Mar 2019-20	Jul-Mar 2020-21
Total Revenue	4,689.9	4,992.6	6.5	11.3	10.5
a. Tax Revenue	3,594.3	3,765.0	4.7	8.6	7.9
- FBR Tax Revenue	3,044.3	3,394.9	11.5	7.3	7.1
b. Non-Tax Revenue	1,095.6	1,227.6	12.0	2.6	2.6
Total Expenditure	6,376.1	6,644.6	4.2	15.3	13.9
a. Current Expenditure	5,611.6	6,085.4	8.4	13.5	12.8
b. Development Expenditure	751.7	668.0	-11.1	1.8	1.4
Fiscal Deficit	1,686.2	1,652.0	-2.0	4.1	3.5
GDP (Current Market Prices)	41,556	47,709*			

Source: Finance Division

*Provisional

Table 1.14 : FBR Tax Collection

(Rs. Billion)

	Target 2020-21	July-March		Percent Change V=IV/III	FBR collection % of full year target
		2019-20	2020-21		
I.	II.	III.	IV.	V.	VI.
Total taxes	4963	3,044	3,395	11.5	68.4
Direct taxes	2043	1,146	1,246	8.8	61.0
Indirect Taxes	2920	1,898	2,149	13.2	73.6
Customs	640	474	541	14.1	84.5
Sales tax	1919	1,242	1,416	14.0	73.8
Federal Excise	361	182	192	5.5	53.1

Source: Federal Board of Revenue

Table-1.15: Change in Global Inflation

	April-20		March-21		April-21	
	YoY	MoM	YoY	MoM	YoY	MoM
Food	-0.4	-3.8	29.4	-1.1	37.3	3.3
Metal	-19.7	-4.6	60.4	3.6	75.9	4.6
Energy	-65.1	-2.7	89.7	0.7	170.4	-0.4
Agriculture	-2.1	1.6	23.9	-0.7	29.0	1.9
Cotton	-27.2	-9.8	21.1	6.3	42.8	-0.8

Source: World Commodity Prices, World Bank

Table 1.16: Balance of Payments

(US\$ million)

Items	2019-20	Jul-Apr		2020-21		2021-22
		2019-20	2020-21	Target	Projected	Targets
Current Account Balance	-4,449	-4,657	773	-4,447	208	-2,276
Balance on Trade in Goods	-21,109	-17,576	-21,316	-19,698	-25,246	-28,436
Exports (FOB)	22,536	19,704	20,993	22,714	25,203	26,830
Imports (FOB)	43,645	37,280	42,309	42,412	50,449	55,266
Balance on Trade in Services	-3,316	-3,023	-1,420	-3,011	-1,953	-2,507
Balance on Primary Income	-5,459	-4,641	-4,025	-5,992	-4,970	-5,762
Balance on Goods, Services and Primary Income	-29,884	-25,240	-26,761	-28,701	-32,169	-36,705
Balance on Secondary Income	25,435	20,583	27,534	24,254	32,377	34,429
Workers' Remittances	23,131	18,793	24,246	21,534	29,076	31,257
Capital Inflows	285	246	204	320	319	320
Financial Inflows	-9,313	-8,859	-3,472	-10,297	11,444	9,101
Direct Investment (Net)	-2,652	-2,360	-1,499	-3,000	-2,106	-2,516
Portfolio Investment (Net)	409	303	-2,161	-1,250	-2,750	-1,250
General Government	5,919	5,500	2,968	4,617	4,539	3,130
Disbursements	13,181	9,917	6,984	12,103	11,172	11,990
Amortization	7,299	4,449	5,524	7,486	6,633	8,860
Memorandum Items						
Current Account Balance (percent of GDP)	-1.7	-2.1	0.3	-1.6	0.1	-0.7
Exports FOB (growth rate percent)	-7.1	-2.1	6.5	1.5	11.8	6.5
Imports FOB (growth rate percent)	-15.9	-14.2	13.5	1.1	15.6	9.5

Source: SBP & Planning Commission estimates

Table-1.17: Contribution of Various Groups in Exports

(US\$ million)

Commodities	Jul-Apr		Absolute Change	Percent Change	Point Contribution to Change
	2019-20	2020-21			
A. Food Group	3,835	3,737	-98.8	-2.6	-0.5
Rice	1,867	1,830	-36.6	-2.0	-0.2
B. Textile Group	11,039	11,699	659.5	6.0	3.3
Cotton Yarn	909	692	-217.0	-23.9	-1.1
Cotton cloth	1,672	1,544	-128.4	-7.7	-0.7
Knitwear	2,335	2,730	394.4	16.9	2.0
Bed Wear	1,938	2,221	283.1	14.6	1.4
Readymade Garments	2,242	2,299	56.1	2.5	0.3
C. Petroleum Group & Coal	346	195	-150.5	-43.5	-0.8
D. Other Manufactures	3,057	3,152	94.2	3.1	0.5
Chemicals and Pharma. Pro.	910	928	18.3	2.0	0.1
Leather Manufactures	420	459	39.5	9.4	0.2
Sports Goods	402	387	-15.6	-3.9	-0.1
Surgical Goods & Medical Instruments	353	402	48.5	13.7	0.2
E. All Other Items	1,426	2,211	784.3	55.0	4.0
Total Exports	19,704	20,993	1,288.8	6.5	6.5

Source: State Bank of Pakistan, Planning Commission

Table-1.18: Percentage Changes Price & Quantum Effects of Selected Export Items

Commodities	Percent Change in		(US\$ Million)		
	Unit price	Quantity	Price Effect	Quantum Effect	Total Effect
Rice	6.2	-9.3	102	-169	-67
Fruits	-13.6	17.1	-62	66	4
Cotton Yarn	3.6	-7.3	28	-63	-35
Cotton Cloth	124.7	-56.1	878	-898	-20
Knitwear	-16.5	56.4	-616	1350	734
Bed Wear	15.4	8.0	307	147	453
Readymade Garments	58.1	-28.8	923	-643	280
Footballs	9.3	-22.1	9	-28	-19
Leather Garments	-12.7	23.0	-35	51	16
Plastic Material	-3.3	6.1	-9	15	6
Pharmaceutical Products	-20.6	61.8	-59	109	50
Cement	-9.3	11.1	-23	25	2
Footwear	-16.7	18.9	-22	20	-1

Source: Pakistan Bureau of Statistics, Planning Commission

Table-1.19: Contribution of Various Groups in Imports

(US\$ Million)

Commodities	Jul-Apr		Absolute Change	Percent Change	Point Contribution to Change
	2019-20	2020-21			
A. Food Group	3,868	5,945	2,077	53.7	5.6
Edible Oil (Soya & Palm)	1,511	2,004	494	32.7	1.3
B. Machinery Group	5,143	6,649	1,506	29.3	4.0
Power Generating	585	726	142	24.2	0.4
Telecom	1,307	2,101	795	60.8	2.1
C. Transport Group	1,259	2,178	919	73.0	2.5
Road Motor Vehicles	1,099	1,675	576	52.4	1.5
D. Petroleum Group	8,466	7,589	-877	-10.4	-2.4
Petroleum Products	3,822	3,661	-161	-4.2	-0.4
Petroleum Crude	2,413	2,488	75	3.1	0.2
Natural Gas, Liquified (LNG)	2,142	1,312	-830	-38.7	-2.2
E. Textile Group	2,872	3,918	1,046	36.4	2.8
F. Agri Chemicals Group	5,923	6,691	768	13.0	2.1
Plastic Material	1,637	1,989	352	21.5	0.9
Fertilizer	466	427	-39	-8.4	-0.1
G. Metal Group	2,751	3,743	992	36.1	2.7
Iron & Steel Scrap	1,000	1,393	394	39.4	1.1
Iron & Steel	1,281	1,751	471	36.8	1.3
H. Miscellaneous Group	680	979	299	44.0	0.8
I. All Others	6,317	4,616	-1,701	-26.9	-4.6
Total Imports	37,280	42,309	5,029	13.5	13.5

Source: State Bank of Pakistan, Planning Commission

Table-1.20: Percent Changes and Price & Quantum Effects of Selected Import Items

Commodities	Percent Change in		(US \$ million)		
	Unit price	Quantity	Price Effect	Quantum Effect	Total Effect
Tea	-7.4	22.8	-39	98	59
Palm Oil	27.6	6.9	464	108	572
Pulses	8.4	2.1	42	10	52
Petroleum Products	-28.9	26.1	-1,568	1,125	-443
Petroleum Crude	-24.7	27.3	-789	686	-103
Raw Cotton	1.7	73.2	20	493	513
Fertilizer Manufactured	4.3	-14.5	19	-75	-56
Plastic Materials	1.3	22.9	26	375	401
Iron and Steel Scrap	-2.5	25.2	-41	326	285
Iron and Steel	-1.5	29.1	-24	365	341

Source: Pakistan Bureau of Statistics, Planning Commission

Table-1.21: Proposed Projects for PSDP 2021-22 (Industry)

S.No.	Name of the Project
Industries & Production Division	
i.	Improving Competitiveness Through Sustainable National Productivity (SNP), All across Pakistan.
ii.	Support Centre for Dental and Surgical Equipment (SCDS), Sialkot
iii.	Research, Regulatory Insight & Advocacy Assistance for SMEs
iv.	Establishment of High Tensile Sheet Metal Dies Manufacturing and Titanium Coating Setup at KTDMC, Karachi.
v.	Development of Karachi Industrial Park on 1500 Acres of Pakistan Steel Mills Land at Karachi Including Feasibility.
vi.	Agro Food Processing Facilities, Mirpurkhas.
Commerce Division	
vii.	Establishment of Joint Border Market at Chedgi, Panjgur, Balochistan
viii.	Establishment of Joint Border Market at Gabd, Gwadar, Balochistan
ix.	Establishment of Joint Border Market at Mand, Kech, Balochistan
Petroleum Division (Mineral Sector Projects)	
x.	Legal Consultancy Services for Drafting of Model Mineral Agreement and Updating of Regulatory Framework

Table-1.22: Sectoral Summary of PSDP 2021-22

(Rs. Million)	
Sector	Proposed Allocation
<u>Infrastructure</u>	558,079
Energy	120,882
Water	105,223
Transport & Communications (including VFG)	291,941
Physical Planning & Housing	40,033
<u>Social & Regional Equalization Programme</u>	286,718
Social Sector	186,718
Health	31,412
Education & Training	6,234
Higher Education	43,375
Environment	15,463
Manpower & Employment	5,236
SDGs	74,000
COVID-19	5,000
Others	5,998
Regional Equalization	100,000
Merged Districts	54,000
Special Areas (AJ&K, GB)	46,000
Governance	6,785
<u>Science & IT</u>	31,328
Science & Technology	11,550
Information Technology	19,778
<u>Production Sectors</u>	17,090
Industries	3066.082
Food & Agriculture	12,067
Grand Total	900,000

Chapter 2: Building Capabilities for Sustainable Growth

Table 2.1: Major Financial and Physical Progress in Youth & Skill Development Sector during 2020-21

(Rs. Million)

S. No.	Programme	Cost	Allocation	Physical Targets Achieved
i	Prime Minister's Hunarmand Pakistan-Skill For All Programme under Kamyab Jawan Programme	9880	3420	– 355 institutes visited for online training assessment out of 500: Developed 82 qualifications; competency standards-assessment packages of 12 qualifications in progress; 9 out of 50 institutes identified for accreditation reviewed by international agencies: Job Portal NEXT completed – Assessment and certification of 13,358 trainees Training of 37,819 youth in high tech/high-end trades/courses resumed online: Apprenticeship training of 2441 youth completed – Training of 20,554 students from less developed areas; another batch of 16,520 youth also started. – Consultations with ILO, and TEVTAs completed; 10 institutes identified for establishment of centres for manpower export. Trades identified for training of 2500 TVET trainer: National Accreditation Council for TVET is established and functional.
ii	Introducing Matric-TECH Pathways for Integrating Technical and Vocational Education, Training and Formal Education	315	150	The tendering procedure has been initiated for procuring equipment for 30 labs in seven Secondary Schools in ICT and four Secondary Schools each in Gilgit-Baltistan and AJK.
iii	Establishment of Polytechnic Institute for Boys at Skardu	602	395.071	Sixty kanals free of cost land has been provided by District Administration, Skardu. Design consultant has been hired. Drawing / design and BoQs have been completed.
iv	Up-gradation of Government Poly Technic Institute for Women H-8/1	58.73	43.73	The retaining wall has been completed and procurement of equipment for lab is underway.

Table-2.2: Key ICT Indicators

Description	June, 2020	March, 2021
Mobile Cellular Tele-density	78.8 percent	84.68 percent
Total Subscribers	167.27 million	183.20 million
Total Broadband Subscribers	83.20 million	100.68 million
3G/4G Broadband Subscribers	81.40 million	98.12 million

Source: Pakistan Telecommunication Authority

Table-2.3: Allocation for Higher Education in PSDP 2020-21

(Rs. Billion)

S. No	Description	No. of Projects	Total Cost	Cumulative Expenditure up to June, 2020	PSDP Allocation 2020-21
i.	Ongoing Schemes	113	260.515	96.299	23.4
ii.	New Schemes	31	47.620	-	6.0
	Total	144	308.135	96.299	29.5

Table-2.4: Summary of Proposed PSDP 2021-22 for HEC

(Rs. Billion)

S. No.	Description	Proposed PSDP Allocation 2021-22
1	On-going Projects	29.79
2	New Projects	7.06
Sub-Total		36.85
3	Development Packages	5.60
Total		42.45

Source: Federal PSDP 2021-22

Chapter 3: Modernizing Infrastructure for Growth Acceleration

**Table 3.1: Impact of Changes in Power Generation Capacity on Energy Mix
(2020-2022)**

Source/ Fuel	Capacity as on June 2020 (MW)	Addition 2020-21 MW)	Up to June 2021 (MW)	Planned Capacity Addition (MW)	Up to June 2022 (MW)	Percentage Share in Energy Mix as on June 2020	Percentage share in Energy Mix as on June 2022
Solar	400	150	550	200	750	1.1	1.7
Wind	1,085	100	1,185	510	1,695	3.0	3.7
Hydel	9874	37	9,911	826	10,737	27.4	23.7
Coal (Local)	810	660	1,470	1,980	3,450	2.2	7.6
Coal (Imported)	3,960	-	3,960	1,320	5,280	11.0	11.6
Gas	9,178	-	9,178	-	9,178	25.5	20.2
RLNG	3,683	1,263	4,946	-	4,946	10.2	10.9
Oil	5,317	-	5,317	-	5,317	14.8	11.7
Bagasse	364	-	364	-	364	1.0	0.8
Nuclear	1,345	1,145	2,490	1,145	3,635	3.7	8.0
Total Capacity	36,016	3,356	39,372	5,981	45,353	100.0	100.0

Table 3.2: Dams – Province-wise detail

(Rs. Million)

Province	Dams	
Punjab	Ghabir dam	750
Sindh	Darawat dam and Nai Gaj dam, small dams in Kohistan and Nagarparkar areas of Sindh	6,356
Khyber Pakhtunkhwa	Kurram Tangi dam, Sanam dam, Baran dam and 20 small dams in Nowshera, Kharak, Swabi, Haripur & Kohat	2,818
Balochistan	Naulong dam, Garuk Dam, Construction of 100 small dams (Package-III & IV), Basool dam, Mangi dam, 300 small dams in Killa Abdullah district, feasibility study of Winder dam and Sukleji Dam, and other small dams)	14,770

Table 3.3: Major Water Sector Ongoing and New Initiatives

S.#	Name of project	(Rs. Million)
		Allocation for 2021-22 (Proposed)
1.	Kurram Tangi dam Phase-I	3,000
2.	Kachhi Canal Project (Phase-I)	2,000
3.	Nai Gaj Dam, Sindh	5,000
4.	Naulong Dam, Balochistan	1,000
5.	Ghabir Dam, Chakwal	2,000
6.	Baran Dam, KPK	600
7.	Winder Dam, Lasbela, Balochistan	3,000
8.	Construction of Small Dams Delay Action dams in Sindh	3,000
9.	Kachhi Canal (Remaining works of Phase-I, Part-B)	2,000
10.	Rainee Canal, Sindh	1,672
11.	K-4 Greater Water Supply Scheme Project, Karachi	15,112
12.	Southern Balochistan Package (Water Sector)	6,573
13.	Sindh Plan (Water Sector)	700

Table 3.4: High Impact Projects under PPP Mode

Imple- menting Agency	Project	Status	Expected date for:		
			Completion of Feasibility Study	Tender Float	Award
NHA	Sialkot-Kharian Motorway	Financial bids evaluation underway	Done	Done	July 2021
	Sukkur-Hyderabad Motorway	Bidding documents are being prepared by NHA	Done	June 2021	October 2021
	Kharian-Rawalpindi Motorway	Feasibility Study is in advanced stage of preparation	May 2021	July 2021	December 2021
	Karachi-Quetta-Chamman Road	Feasibility Study is under preparation	June 2021	August 2021	December 2021
	Mianwali-Muzaffargarh	Feasibility Study is under preparation	June 2021	August 2021	December 2021

Implementing Agency	Project	Status	Expected date for:		
			Completion of Feasibility Study	Tender Float	Award
Pakistan Railways	Upgradation of Hospitals on PPP basis	Almost prepared to be taken to P3A's Board	Done	June 2021	September 2021
	Thar Coal Block-II	Feasibility Study is under review by P3A	Done	June 2021	October 2021
	Karachi-Pipri Freight Corridor	Feasibility Study is complete	Done	July 2021	October 2021
	Karachi Circular Railways	Feasibility Study is under preparation	June 2021	August 2021	November
PIA	Islamabad Blue Area Plot measuring 4,608 sq. yd.	Feasibility Study not yet received by P3A.	Done	June 2021	October 2021
	Karachi Hospital Plot measuring 48,061 sq. yd.	Feasibility Study not yet received by P3A.	Done	June 2021	October 2021
	Sialkot Plot measuring 1,778 sq. yd	Feasibility Study not yet received by P3A.	Done	June 2021	October 2021

Table 3.5: Review of Power Distribution Companies 2020-21

Name of DISCO	132 kV MVA Added	132 kV Transmission Line (km) Added	11 kV MVA Added	11 kV Transmission Line (km) Added	400 Volt Transmission Line (km) Added	Consumers Added (Nos.)	Loss Reduction (%)	Village Electrification (Nos.)
FESCO	347.5	225.75	354	1315	253	231,673	-0.3	1400
GEPCO	40	28	127.045	275.6	45.072	114,569	-0.26	298
HESCO	39	-	39.82	68.17	10.3	32,944	-1.1	487
IESCO	184	64.15	77.615	304.918	197	100,964	-0.21	489
MEPCO	305	41.5	236.63	1038.54	158.36	209,136	0.4	2152
PESCO	423.5	31	83.5	463.58	210.56	134,835	-0.1	3,257
QESCO	45.5	75.6	76.955	601.79	612.518	10,716	0.6	522
SEPCO	234	219	11.6	163	62.16	60,000	-1	304
TESCO	92	33	2.85	51.4	7.812	225	1.2	73
LESCO	434	47	289	488	321	285,944	-1.8	30
Total	2105.5	765	1299.015	4769.998	1877.782	1,181,006	-2.57	9012

Table 3.6: Allocations for Power Sector Projects

(Rs. Million)

Department	Number of Projects	Allocation 2021-22
Power Division (Generation, Transmission & Distribution Projects)	92	102,607
Pakistan Atomic Energy Commission (Power Projects)	2	21,052
Kashmir Affairs and Gilgit Baltistan (Power Projects)	7	10,350
WAPDA Hydropower Generation Projects	12	91,912
Total	113	225,921

Source: PSDP 2021-22.

Table 3.7: Transmission Capacity (Achievements & Targets)

Items	Existing Capacity Jun-20		Achievements/ Enhancement up to June-2021		Targets upto June-2022		
	500 kV	220 kV	500 kV	220 kV	500 kV	220 kV	±660 kV
Transmission Capacity (MVA)	25,460	30,440	26,510	30,690	28,760	33,440	4,000
Length of transmission line (km)	7,470	11,281	8,200	11,541	8,918	12,301	886
No. of Grid Stations	16	45	16	45	17	47	2

Table 3.8: Additions in Installed Capacity during 2020-21

S. No.	Name of Project	Agency	Fuel (Wind, Solar, Hydel, RLNG, Coal etc.)	Installed Capacity (MW)
1	Karachi Nuclear (K-2)*	PAEC	Nuclear	1145
2	Master_Green	AEDB	Wind	50
3	Bhedi Doba	AJK Power Development Organization	Hydro	1
4	Jhing	AJK Power Development Organization	Hydro	14.4
5	Lucky	PPIB	Local Coal	660
6	Tricom	AEDB	Wind	50
7	Helios	Energy Department Govt of Sindh	Solar	50
8	HNDS	Energy Department Govt of Sindh	Solar	50
9	Meridian	Energy Department	Solar	50

S. No.	Name of Project	Agency	Fuel (Wind, Solar, Hydel, RLNG, Coal etc.)	Installed Capacity (MW)
		Govt of Sindh		
10	Jabori	PEDO	Hydro	10.2
11	Karora	PEDO	Hydro	11.8
12	Trimmu	PPIB	CCGT_RLNG	1263.2
			Total	3,356

Table 3.9: PSDP Allocation for Transport & Logistics Sector

Sector / Ministry	PSDP 2020-21			(Rs. Million) PSDP 2021-22
	Cost	Allocation	Expenditure	Proposed Allocation
Aviation Sector				
Aviation Division - CAA	22,247.45	219.00	-	1,145.00
Road Sector				
Mo PD&SI / SIDCL	41,749.45	12,494.04	6,927.64	9,321.96
Mo P&SI PPP Viability Gap Funding	-	-	-	63,500.00
Communications Other than NHA	616.90	239.75	113.08	427.62
Communications / NHA	1,796,766.23	118,674.86	95,218.36	113,750.00
Housing & Works Division / Pak. PWD	35,151.77	6,760.41	3,318.45	10,587.95
Finance Division / Provincial	83,845.97	9,488.56	6,100.85	59,083.29
Interior Division / CDA & LG&RD	15,144.74	2,098.98	1,428.46	5,844.83
Kashmir Affairs & Gilgit Baltistan Div.	10,307.03	1,180.30	1,381.50	6,505.11
Religious Affairs Division	-	-	-	452.91
Total (Road Sector)	1,983,582.09	150,936.90	114,488.35	269,473.68
Maritime Sector				
Maritime Division	20,481.73	2,250.66	640.49	4,413.72
Railway Sector				
Ministry of Railways / Pak. Railways	1,374,613.00	18,718.06	11,176.33	29,451.07
Defence Production Sector				
Ministry of Defence Production	13,083.26	1,679.14	1,319.99	1,745.00
Defence Division	-	-	-	47.35
Total (Defence Production Division)	13,083.26	1,679.14	1,319.99	1,792.35
Total T&C Sector	3,414,007.53	173,803.76	127,625.15	306,275.82

Source: Federal PSDP 2020-21; Federal PSDP 2021-22

Table 3.10: Oil and Gas Achievements and Targets

S. No	Items	Units	Targets 2020-21	Expected achievement up to 30-06-2021	Percent Achievements	Targets 2021-22
1.	Production					
i.	Crude Oil	Million Barrels	30	27	81	29
ii.	Gas	Trillion cft	1.43	1.27	89	1.47
iii.	LPG	Tons	753,051	764,775	101	917,731
iv.	Imports LPG	Tons	317,263	492,437	100	590,924
v.	Coal	Tons	3,800,000	3,800,000	100	6,900,000
2	No of wells drilled	Nos.	80	28	35	-
i.	Exploratory	Nos.	44	13	29	-
ii.	Development	Nos.	36	15	41	-

Table 3.11: Gas Consumers, Transmission and Distribution Addition Achievements and Targets

S. No	Items	Units	Targets 2020-21	Expected achievement to June 2021	Percent Achievements	Targets 2021-22
A.	Gas Consumers Added					
1.	SNGPL					
i.	Domestic	Nos.	400,000	261,103	65.27	1,200,000
ii.	Commercial.	Nos.	5000	1,078	21.56	-
iii.	Industrial	Nos.	450	52	11.55	-
	Sub Total	Nos.	405,450	262,206	64.67	1,200,000
2.	SSGCL					
i.	Domestic	Nos.	124,000	70,357	56.73	133,248
ii.	Commercial.	Nos.	1,078	265	24.58	500
iii.	Industrial	Nos.	167	65	38.92	190
	Sub Total	Nos.	125,245	70,687	56.43	133,938
	Total (SNGPL + SSGCL)	Nos.	530,695	332,893	62.72	1,333,938
B.	Transmission & Distribution Extension					
1.	SNGPL					
i.	Transmission & Distribution	km	6291	2947	46.84	17,060
2.	SSGCL					
i.	Transmission & Distribution	km	1,206	593	49.17	1,671
	Total (SNGPL + SSGCL)	km	7497	3540	47.21	18,731

Table 3.12: PSDP Allocations 2021-22 (Petroleum Division)

(Rs. Million)

S. No.	Name of Project	Total Cost	Allocations 2021-22
1	Supply of 30 MMCFD Gas at Door Step (zero Point) of Rashakai Special Economic Zone (SEZ), Khyber Pakhtunkhwa	1203.00	230.00
2	Supply of 13.5 MMCFD Gas to Dhabeji Special Economic Zone (SEZ), Sindh	427.88	76.58
3	Up-gradation of HDIP's POL Testing Facilities at Islamabad, Lahore, Multan, Peshawar, Quetta, and ISO Certification of Petroleum Testing Laboratory at Islamabad.	303.698	143.446
4	Expansion and Up-gradation of Pakistan Petroleum Corehouse (PETCORE) Islamabad	367.860	345.321
5	Strengthening, Up Gradation and ISO Certification of Karachi Laboratory Complex (KLC) at HDIP Operation Office, Karachi	440.812	385.336
6	Supply of 40 MMCFD gas/RLNG to Allama Iqbal Industrial City Special Economic Zone (SEZ), Faisalabad, Punjab	785.00	785.00
7	Supply of 10 MMCFD RLNG to Bostan Special Economic Zone, Quetta, Balochistan	731.447	731.447
8	Supply of 13 MMCFD RLNG to Bin Qasim Industrial Park, Karachi, Sindh	149.41	149.41
	Total		2846.54

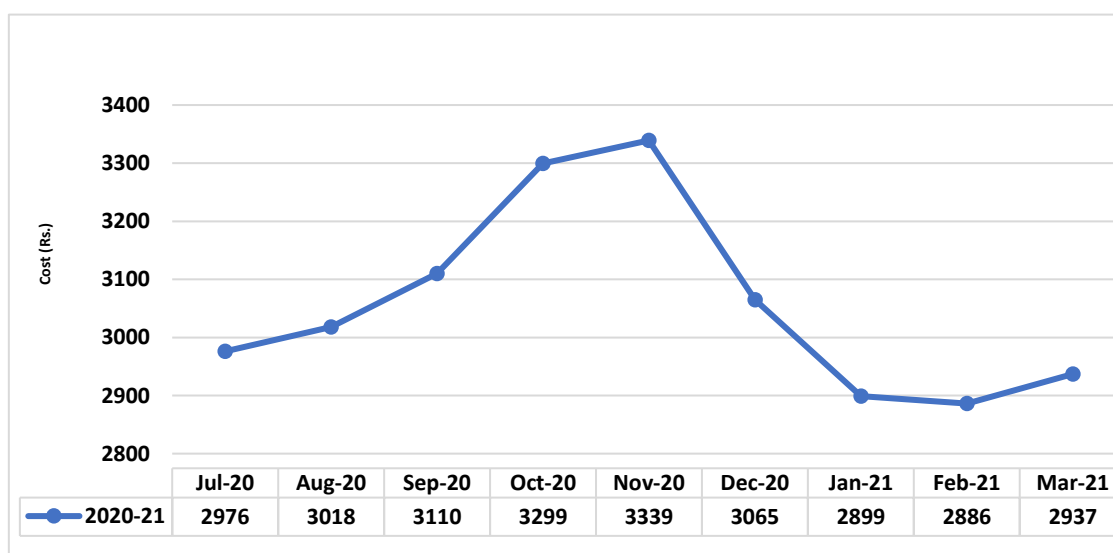
Chapter 4: Transforming Delivery of Social Services

Table 4.1: Availability of Major Food Items (in kg per capita per annum)

Food Items	2018-19	2019-20	2020-21 (P)
Cereals	133.0	137.0	149.0
Pulses	7.0	8.0	8.0
Sugar	24.0	26.0	27.0
Milk (Litre)	168.0	169.0	172.0
Meat (Beef, Mutton, Chicken)	21.0	22.0	23.0
Fish	3.0	2.0	3.0
Eggs (Dozen)	5.0	5.0	5.0
Edible Oil/Ghee	15.0	14.0	14.0
Fruits & Vegetables	56.0	54.0	55.0
Calories/day	2,410.0	2,445.0	2,580.0

Note: The data for 2018-19 and 2019-20 revised based on Census 2017 data.

Figure 4.2: Cost of Minimum Food Basket (Rs.) Per Capita/Month, (July-March 2020-21)



Source: Nutrition Section Planning Commission, Pakistan Bureau of Statistics

Table 4.3: Financial Review of Development Schemes 2020-21

(Rs. Million)

Areas of Development Schemes	No. of Schemes	Total Cost	Allocations
Curriculum/ Capacity Building of Teachers and Principals/Recruitment of Teachers	3	521.336	179.673
Establishment /Reconstruction/Construction / Renovation/ Up-gradation of schools & colleges	15	11,824.379	3,912.141
Education Voucher Scheme	1	653.65	30
Education Assessment through TIMS Project	1	49.75	8.984
Knowledge Economy Initiatives	2	275.789	120
School Infrastructure	1	180.332	100
Grand Total	23	13,505.236	4,350.798

Source: Federal PSDP 2020-21

Table 4.4: Schemes for M/o National Health Services Regulations and Coordination

(Rs. Million)

S. No.	Proposed New Schemes for PSDP 2021-22 of Health Sector	Total Cost
1	Establishment of 200 Beds Accident and Emergency Centre at Pakistan Institute of Medical Sciences, Islamabad	5,000.0
2	Development of Integrated Diseases Surveillance and Response System (IDSRS) with Public Health Laboratories Network (PHLN) and Workforce Development for transition of Field Epidemiology & Laboratory Training Programme (FELTP)	4,524.5
3	Strengthening and Upgradation of the Nursing and Midwifery sub-sector within Health Sector in Pakistan	8,134.2
4	COVID-19 Emergency Response and Ensuring Universal Health Coverage in Islamabad Capital Territory	2,484.441
5	Emergency Assistance for Fight against COVID-19	16,800.0
6	Health Systems Strengthening for fighting against COVID-19 Pandemic	11,550.0
7	Prime Minister Programme for Elimination of Hepatitis C	74,365.0
8	Tackling Malnutrition Induced Stunting in Pakistan	313,477.72
9	Strengthening Common Management Unit (TB, HIV/AIDS & Malaria) and accelerating Response to control the three diseases	43,827.0

Source: Federal PSDP 2021-22

Chapter 5: Deepening People-Centric Security

Table 5.1: Poverty Trends in Pakistan

Year	National	Urban	Rural
2005-06	50.4	36.6	57.4
2007-08	44.1	32.7	49.7
2010-11	36.8	26.2	42.1
2011-12	36.3	22.8	43.1
2013-14	29.5	18.2	35.6
2015-16	24.3	12.5	30.7
2018-19	21.9	11.0	28.2

Source: Planning Commission

Table 5.2: Pro-Poor Budgetary Expenditures 2019-20

(Rs. Billion)

Sector	Federal	Punjab	Sindh	Khyber Pakhtunkhwa	Baluchistan	Total
Roads Highways and Bridges	207.5	73.7	4.1	31.0	26.3	342.7
Environment, water supply and sanitation	7.9	23.4	9.1	12.9	16.9	70.3
Education	114.6	217.9	170.4	46.2	61.7	611.0
Health	24.3	261.2	119.1	50.3	27.3	482.3
Population Planning	0.0	5.3	4.0	0.5	1.4	11.4
Social Security and Welfare	0.2	2.4	37.3	0.9	6.2	47.1
Natural Calamities and disasters	38.2	13.5	1.1	16.2	3.3	72.3
Agriculture	108.2	120.8	67.5	38.1	42.3	377.1
Land Reclamation	0.0	0.3	2.0	0.0	0.0	2.4
Rural Development	1.1	7.7	0.7	3.5	16.9	29.7
Law & Order	168.5	129.2	84.0	58.1	17.5	457.5
Low-Cost Housing	0.2	0.6	0.9	0.04	0.0	1.8
Justice Administration	6.4	34.3	16.8	10.1	5.2	72.7
Subsidies	331.8	213.2	41.9	37.7	11.1	635.8
PM's Global SDG's Achievement Programme	0.0	0.0	0.0	0.0	0.0	0.0
BISP	228.0	0.0	0.0	0.0	0.0	228.0
Pakistan bait ul Mal	5.1	0.0	0.0	0.0	0.0	5.1
Grand Total	1,242.0	1,103.9	559.3	305.7	236.4	3,447.3

Table 5.3: Key Initiatives under *Ehsaas* Programme

Programme	Beneficiaries	Programme Description
Benazir Income Support Programme (BISP)		
Kafaalat	7 million	An unconditional cash transfer of Rs. 2000 monthly to female heads of households below a certain socio-economic level
Waseela-e-Taleem	2,200,000	Education conditional cash transfer of Rs. 1500 (boys) / 2000 (girls) per quarter to primary school children for ages 4-12 years
Nashonuma Programme	220,000	Education conditional cash transfer of Rs. 1500 (boys) / 2000 (girls) per quarter to primary school children for ages 4-12 years
Pakistan Poverty Alleviation Fund Programmes		
EhsaasAmdan	50,000	Assets to the deserving to enable them to graduate out of poverty i.e. Livestock (goats, cows, buffaloes and poultry), agricultural inputs, body of Chingchi rickshaws, and inputs for small retail outlets and small enterprises
Ehsaas Interest free loans	960,000	Interest free loans to enable households to graduate out of poverty
Pakistan Bait-ul-Mal Programmes		
Dar-ul-Ehsaas (Orphanages)	5,500	Residential accommodation and necessary facilities to orphans
Individual Financial Assistance (Health)	23,000	Financial assistance to indigent sick persons for treatment of fatal diseases through govt hospitals to protect from catastrophic expenditures
Individual Financial Assistance - Special Friends project	2000	Financial assistance of 10,000 to households with one special person and 25000 to households with two or more special persons for wheelchair, white cane, hearing aid, artificial limbs
Ehsaas Kada (Old Homes)	60	Residential accommodation and necessary facilities to senior citizens
Women Empowerment Centres	25000	Free training to widows, orphans & poor girls in different skill i.e. Drafting, Cutting, Sewing, Knitting, Hand & Machine Embroidery
Panahgah and Langarkhana	1,000,000	Panahgah and Langarkhana for destitute people
Assistive devices for persons with disabilities	1500	Planning to introduce a programme to provide assistive devices for needs of mobility, hearing, vision

Table 5.4: PPAF Update on Programme Impact

(Rs. Million)

S. No.	Programme Components	Disbursements	Programme Impact
1	Institutional Development/Social Mobilization (ID/SM)	391.06	5,068 institutions formed 7,576 community and PO staff members trained (39% women)
2	Livelihood Enhancement and Protection (LEP)	1,673.92	3,298 individuals received skills and entrepreneurial trainings (34% women) 21,619 productive assets were transferred to ultra and vulnerable poor (94 percent women).
3	Water and Infrastructure (W&I)	540.06	174 projects completed benefitting 109,873 persons (including 49 percent women).
4	Education, Health and Nutrition (EHN)	35.05	16 educational facilities were supported 2,465 new students (73 percent girls) were enrolled 99,539 consultation visits by patients (60 percent women and girls) treated
Total		2,640.09	734,081 poor and marginalized persons including 49 percent women beneficiaries

Table 5.5: ESSI Benefices and Disbursements

(Rs. Million)

S. No.	Cash Benefits	Beneficiaries (No)	Amount Paid
1	Sickness	2692	3.6
2	Injury	790	0.1
3	Death Grant	40	0.1
4	Disablement Gratuity	18	0.5
5	Disablement Pension	655	17.9
6	Survivors Pension	370	4.2
7	Heart Cases	61	8.8
8	Maternity	18	0.1
Total		4,644	35.1

Table 5.6: Achievement of WWF

(Rs. Million)

Workers Welfare Fund Head of Account	No. of Cases	*Amount Released
Marriage Grant	119	15.5
Death Grant	28	14.5
Scholarship (Under Matric)	987	56.7
Scholarship (Post Matric)	107	11.9

Table 5.7: 2021-22 PSDP Allocation for Mass Media Sector

(Rs. Million)

S. No.	Agency	Allocation 2021-22
1.	Pakistan Television Corporation (PTVC)	699.07
2.	Pakistan Broadcasting Corporation (PBC)	298.56
3.	Ministry of Information & Broadcasting	17.00
4.	Associated Press of Pakistan (APP)	786.79
5.	Information Service Academy (ISA)	28.73
6.	Press Information Department (PID)	69.53

Source: Federal PSDP 2021-22

Table 5.8: PSDP Allocations for Strengthening Human Rights

(Rs. Million)

Project	Cost	Allocation for 2020-21
On-going projects		
Implementation on Action Plan on Human Rights in Pakistan	57.5	30.0
Institutional strengthening of M/o Human Rights	59.5	20.0
Establishment of Human Rights Information System (HRMIS)	59.0	29.3
Strengthening of Regional Directorates of Human Rights, Lahore, Karachi, Peshawar and Quetta	57.0	26.5
Human Rights Awareness Programme	55.0	36.0
Human Rights Coordination and Monitoring Unit for National Mechanism for Reporting and Follow-up	43.9	20.0
Pilot Project for Establishment of Transgender Protection Centre, Islamabad	35.8	15.8
Pilot Project for Inclusive Education for Children with Disability in Public & Private Schools at ICT Islamabad	30.0	20.0
PC-II/ Feasibility Study for Establishment of Rehabilitation Centre for Multiple Disabilities at Primary Level at Sector, H-11/4, Islamabad	15.0	7.5
Up-Gradation of National Special Education Centre for Visually Handicapped Children, Islamabad	36.9	20.5
Monitoring and Evaluation Unit for <i>Ehsaas</i> Programme (<i>Ehsaas</i> Delivery Unit)	200.0	98.9
New Projects		
<i>Ehsaas Tabufaz</i> Programme (up-scaling of <i>Tabufaz</i> Pilot Project)	1,989.0	500.0
Establishment of Sub-Office of Regional Directorate of Human Rights in Merged Areas of KPK	65.0	23.6
Establishment of PMU Ministry of Human Rights	75.00	25.0
Establishment of Project Management Unit (PMU) Directorate General of Special Education	15.0	5.0

Source: Federal PSDP 2020-21

Table 5.9: Financial Allocations for National Heritage & Culture Sector
(Rs. Million)

S. No.	Agencies	Revised Allocation for 2020-21	Estimated Utilization 2020-21	Allocation 2021-22
1	Pakistan Academy of Letters (PAL)	59.35	30.00	-
2	Pakistan National Council of Arts (PNCA)	66.54	33.00	10.00
3	National Institute of Folk & Traditional Heritage (Lok Virsa)	25.50	20.00	-
4	Department of Archaeology & Museums (DOAM)	13.34	10.00	55.90
5	National Library of Pakistan (NLP)	30.00	20.00	19.09
6	National Language Promotion Department (NLPD)			40.93
	Total	194.74	113.00	125.93

Source: Federal PSDP 2021-22

Chapter 6: Strengthening the Federation

Table 6.1: Province-wise list of Less Developed Districts of Pakistan

Punjab	Sindh		Khyber Pakhtun-khwa	Balochistan			Special Areas
Rajanpur	Umerkot	Dadu	Batagram	Pishin	Derabugti	Lasbella	Azad Jammu& Kashmir Gilgit Baltistan & Newly Merged Districts of KP
	Tharparkar	Ghotki	Dir upper & lower	Kila Abdullah	Dera Murad Jamali	Turbat /kech Panjgur	
Muzzafar- Garh	Badin	Jamshoro	Hangu	Chagai			
	Kashmore	Khairpur	Bannu	Zhob	Jaffarabad	Gwadar	
Bahawalnagar	Tando Muhammad khan	Tando Allahyar	Kohistan upper& lower	Loralai	Jhalmagsi	Noshki	
			Torghar				
Bahawalpur	Qamber	Mirpurkhas	Lakkimarwat	Kila Saifullah	Kachhi /Bolan	Sherani	
D.G Khan		Nawabshah	Shangla			Washuk	
Rahimyar Khan	Thatta	Shikarpur	Tank	Musa Khail	Kalat	Harnai	
Bhakkar	Sujawal	Matiali	Buner	Barkhan	Mustung	Sibbi	
	Jacobabad		Swat	Ziarat	Khuzdar	Awaran	
	Sanghar		D.I Khan	Kohlu	Kharan		

Source: District selection in Punjab, Sindh, Balochistan and KP on the basis of less developed district as identified in the "Multidimensional Poverty in Pakistan" June, 2016, Planning Commission of Pakistan UNDP & OPHI.

Table 6.2: Accelerated Development Portfolio for Southern Balochistan

		(Rs. Million)
S. No.	Name of Project	Total Cost
Water Sector		
1	Construction of Panjgur Storage Dam (SB)	12,870.711
2	Construction of Awaran Dam (SB)	14,869.937
3	Construction of Gish Kaur Storage Dam, Kech (SB)	11,789.592
4	Construction of Sunni Gar Dam (SB)	4,456.462
5	Construction of Topak Dam (SB)	1,392.000
6	Umbrella PC-II for Feasibility Study and Detailed Design of Ten Dam in Balochistan (Pilar, Sukha Kaur, Koshk, Sorgaz, Khud Bela, Soolar Kaur, Mula River, Kolachi, Khawaja Manjhira Mawand, Barkhan) (SB)	821.394
7	Construction of Shenzek Dam, Dasht (SB)	2630.293
8	Mapping of All Water Resources in Southern Balochistan (SB)	480.000
9	Construction of Maserag Delay Action Dam (SB)	390.500
10	Construction of Hekanog Delay Action Dam (SB)	285.000
Communication Sector		
11	Construction of Hoshab – Awaran – Khuzdar Section of M-8 Section-2 Awaran – Naal (SB) 168 KM	32244.820
12	Construction of Panigur – Gichak – Awaran road, District Panjgur / Awaran (Length 228.00 km) (SB)	14680.344

S. No.	Name of Project	Total Cost
13	Reconstruction of Turbat-Mand Road from M-8 till Iranian Border Redeeq (115 KM) (SB)	10461.838
14	Rehabilitation & Upgradation of Awaran - Jhaljao Road (54.8 KM) (SB)	6954.947
15	Construction of Road Proom to Chedgi (SB)	4507.488
16	Construction of Road from Proom to Jalgai (84.4 KM) (SB)	3399.392
17	Construction of Road from Buleda to Proom (60 KM) (SB)	2614.736
18	Construction of Road from Naag to Gichak (SB)	2064.817
19	Comm / Infra Dev. Mand	1000.000
20	Completion of Niheng Bridge at Rodbun, District Kech (SB)	348.231
Power Sector		
21	Construction of 132-KV Grid Station Washuk with Allied 132-KV SDT Nag- Warsak T/Line (85-KMs)(QESCO) (PC-II) (SB)	1222.480
22	Construction and up-gradation of 132-KV Grid Station, Tump (QESCO) (PC-II) (SB)	132.200
23	Construction and up-gradation of 132-KV Grid Station, Mand(QESCO) (PC-II) (SB)	132.000
Education Sector		
24	Cadet College, Gwadar (SB)	1883.000
Maritime Sector		
25	Studies on Making Gwadar Port More Competitive (SB)	295.000
26	Rehabilitation of Old Town Gwadar (Provision of Missing Facilities) (SB)	3300.000
Infrastructure/Commerce		
27	Establishment of Joint Border Market at Gabd, Distt. Gwadar (SB)	100.000
28	Establishment of Joint Border Market at Mand, Distt. Kech (SB)	100.000
29	Establishment of Border Joint Market at Chedgi, Distt. Panjgur (SB)	100.000
30	Establishment of Seed Certification Services in Southern Balochistan (SB)	69.120

Source: Ministry of Planning, Development and Special Initiatives.

Table 6.3: Projects Under Karachi Transformation Plan

S. No.	Project Name	Estimated Cost**	Expenditure	Allocation 2020-21	Funding Source	Completion Period
1	Revival of Rivers & Nullahs	10.0	0.0	0.0	7.0 PSDP 3.0 NDMA funds	60% June, 21 40% June, 22
2	Roads/ Express Ways	74.0	0.0	0.0	PSDP	June, 22
3	Greater Karachi Bulk Water Supply (K-IV)	60.0	11.3	2.4	PSDP	3 Years
4	BRT Green Line – 27 Km (Infrastructure part)	24.6	19.5	3.0	PSDP	June, 21
5	BRT Green Line (Operationalization –Buses, ITS etc.)	11.0	0.0	7.9	PSDP	June, 21
6	Five CETP for Industrial areas of Karachi	11.80	1.00	1.00	ADP/ PSDP	To be ascertained
7	Rehabilitation of KPT and Rail Connectivity (Phase-1)	1.8	0.0	0.4	PSDP	2 Years
8	Karachi Circular Railway	300.0	0.0	0.0	PPP	3 Years
9	Development of areas astride cleared/ rehabilitated nullahs	130.0	0.0	0.0	PPP	June, 23
10	Construction of additional dual track (50 kms) and freight terminal at Pipri	130.0	0.0	0.0	PPP	3 Years
11	Flats for LDPs	36.0	0.0	0.0	PPP	Dec, 21
12	Revival of Rivers & Nullahs	10.0	0.0	0.0	3.0 NDMA funds 7.0 PSDP	60% June, 21 40% June, 22
13	Temporary Settlement of LDPs	4.0	0.0	0.0	NDMA funds	Jan, 21

Source: Ministry of Planning, Development and Special Initiatives.

Table 6.4: New Projects Proposed under Gilgit Baltistan Development Package and Accelerated Development Plan for Southern Balochistan

S.No.	Project	Brief Description	Financing
<u>GILGIT BALTISTAN</u>			
Manufacturing Sector			
i.	Fruit & Vegetables Processing and Dehydration Unit, Gilgit Baltistan	Establishment of fruit dehydration unit will serve as a Common Facility Centre and demonstration unit for the local growers to value add their products with enhanced production capacities.	Fed. Govt.
ii.	Developing & Promotion of Cottage Industry of Gilgit Baltistan under GB Development Package, Gilgit Baltistan	Govt. of GB in collaboration with NPO/MoIP may initiate this project for promotion of cottage industry.	Fed. Govt.
Commerce Sector			
iii.	Business Promotion Centre Gilgit	The facility will showcase the products/ handicrafts of GB to local/ international customers	Fed. Govt.
Mineral Sector			
iv.	Geological Mapping and Mineral Investigation of 25 unmapped Topographic Sheets, to Identify Potential Economic Mineral Prospective Zones in GB	The project involves geological mapping and mineral investigation of 25 unmapped topographic sheets enabling mineral exploration and extraction in GB.	Fed. Govt.
<u>SOUTHERN BALOCHISTAN</u>			
Manufacturing Sector			
v.	Dates Processing Plant at Washuk, Mashkel and Turbat	The project aims to provide standard processing facility to farmers/ exporters/ whole sellers of the area to increase dates exports.	PIDC/ Chinese Grant
vi.	Olive Oil Extraction Plants at Khuzdar	The purpose of the project is to provide common facility for olive oil processing, extraction, bottling and branding services.	Through PPP mode
Commerce Sector			
vii.	Linking Local Carpet Making Industry with Main Markets through e-Commerce	Balochi carpets/rugs are mainly handmade and there is need to properly connect its artisans with national and international markets. The subject project will help in creating such linkages between artisans and clients.	Through PPP mode

S.No.	Project	Brief Description	Financing
viii.	Establishment of Joint Border Market at Chedgi, Panjgur, Balochistan	Establishment of border markets to promote legal trade, increase livelihood and development of the area.	Fed. Govt.
ix.	Establishment of Joint Border Market at Gabd, Gwadar, Balochistan		
x.	Establishment of Joint Border Market at Mand, Kech, Balochistan		

Table 6.5: Projects under GB Development Package

(Rs. Billion)					
Sr.	Section-wise Projects	No. of Projects	Source of Funding		Estimated Cost
1.	Clean Energy & Hydro power	10	3-PSDP = 50.400 7- PPP = 89.187		139.6
2.	Transport & Communication	05	5- PSDP		35.0
3.	Tourism	06	2- PSDP = 1.5000 4-PPP = 4.500		6.0
4.	Health	05	4-PSDP = 11.829 1- PPP = 4.000		15.8
5.	Education	02	2- PSDP		1.8
6.	Water and Sanitation	02	2- PSDP		8.5
7.	Women Development, Youth Affairs and Poverty Alleviation	01	1- PSDP		1.0
8.	Information Technology	04	4- Non PSDP		0.5
9.	Fuel	02	2- Non PSDP		0.7
10.	Disaster Management	05	5- Non PSDP		3.6
			Total:		212.5
	Disaggregation Based on Source of Funding				
	PSDP Projects	19	---		110.0
	Land Acquisition + VGF	---	---		20.0
	PPP Projects	12	---		97.7

Sr.	Section-wise Projects	No. of Projects	Source of Funding		Estimated Cost
	Non PSDP Projects	11	---		4.8
	Total New Projects	42	Total:		232.5
	On-going PSDP Projects	11	---		31.2
	On-going ADP Projects	2114	---		113.8
	Total	2167			377.5

Source: Ministry of Planning, Development and Special Initiatives

Table 6.6: Agency/Division wise Allocations & Utilization for 2020-21

(Rs. Billion)

Agency/ Ministry/Division	Allocation	Utilization*	Utilized (percent)
Azad Jammu & Kashmir (Block Allocation)	24.5	24.5	100
Gilgit Baltistan (Block Allocation)	15.0	15.0	100
Merged Districts of KP (Block Allocation)	24.0	24.0	100
Merged Districts 10-year development plan	48.0	24.0	50
Interior Division (ICT)	1.5	1.5	100
Total	112.1	89.0	79

*Estimated utilization till 30th June 2021

Table 6.7: Agency-wise Allocations for 2021-22

(Rs. Billion)

Agency/ Ministry/Division	Allocation 2021-22
Azad Jammu & Kashmir (Block Allocation)	28.0
Gilgit Baltistan (Block Allocation)	18.0
Newly Merged Areas of KP (Block Allocation)	24.0
Merged Districts 10-year development plan	30.0
Total (Special Areas)	100.0

Table 6.8: Progress made under CPEC during 2020-21

JWG	Project Name	Milestones 2020-2021
Energy	Oil & Gas Development Plan	Development Plan for Oil and Gas Sector of Pakistan formulated and printed
	CPEC energy project list adjustment	List of power projects adjusted and finalized. Document signed on 5 th September, 2020
Infrastructure	Havelian-Thakot Road Project (KKH Phase II)	Project completed and inaugurated on 28 th July, 2020
	New Gwadar International Airport	Construction work started in October, 2020
	Orange Line Metro Train Project	Project inaugurated on 25 th October 2020
	Progress on ML-1 project	ECNEC approved the project on 5 th Aug, 2020
	Construction of Motorway from Burhan-Hakla on M-1 to D.I.Khan	Project substantially completed. CoD expected in September 2021
	Awaran- Hoshab Section of M-8	Prime Minister ground break the project dated 13 th November, 2020
	Chitral-Shindur Road Project	Prime Minister ground break the project dated 21 st April, 2021
Gwadar	300 MW Coal Power Plant	PPA/IA signed on 8 th April, 2021
	Friendship Hospital and Vocational and Technical Institute Gwadar	Construction work started on 8 th Nov, 2020
	Fraternity Emergency Care Center	Handed over to Pakistan Red Crescent on 28 th Sep, 20
Special Economic Zone	Prioritized SEZs (Rashakai, Allama Iqbal, Bostan and Dhabeji)	i. Rashakai SEZ: Development Agreement (DA) signed on 14 th September, 2020. Development work in progress ii. AIIC SEZ: Development work started in January, 2020. iii. Bostan SEZ: Development work in progress iv. Dhabeji: Zone application approved on 7 th October, 2020. Finalization of Developer under process
Socio-Economic Development Joint Working Group		
Four (04) projects completed. Six (06) under implementation. Six (06) Letters of Exchange finalized. Work on 3 rd Batch Projects started in 2020-21.		
Agriculture Joint Working Group		
Comprehensive Action Plan for Agriculture Mechanization & Modernization formulated.		
Science & Technology Joint Working Group		
1 st JWG Meeting held on 6 th November 2020. Two MoUs signed-one on academic and scientific cooperation between COMSATS and Herbin Engineering University, another on Cooperation on Standardization between Standardization Administration of China and PSQCA.		
Security Joint Working Group		
Six (06) MoUs signed on various aspects of safety & security		

Table 6.9: CPEC Projects Expected to be Implemented during 2021-22

S. No.	Project Name	Ministry/Department	Location
1.	China-Pakistan Joint Agricultural Technology Laboratory	M/o NFS&R	Multan/Faisalabad/ Islamabad/Quetta
2.	Provision of Agricultural Equipment and tools	M/o NFS&R	Across Pakistan
3.	China-Pakistan Joint Agricultural demonstrations	M/o NFS&R	AJK, GB, Sindh & KPK
4.	Smart Classroom Project for Higher Education	HEC	Across 50 Universities
5.	Provision and maintenance / renovation for 50 schools in Newly Merged Districts of KPK	P&D Dept KP	Merged Districts KP
6.	Provision of medical equipment and materials	M/o NHR&C	Will be shared across Pakistan
7.	Gwadar Hospital Project	GDA Balochistan	Gwadar
8.	Balochistan Solar Powered Lighting Equipment Project	P&D Dept Balochistan	Balochistan rural regions
9.	Pakistan Drinking Water Security - Equipment Supply Project	P&D Depts KP, AJK	KP & AJK
10.	Gwadar Hospital Project	GDA Balochistan	Gwadar City
11.	Gwadar Desalination Plant Project	GPA (MOMA)	Gwadar Free Zone
12.	Gwadar Vocational and Technical School Project	GPA (MOMA)	Gwadar Free Zone
13.	Cooperative Project with Pak-Austria Fachhochschule: Institute of Applied Sciences and Technology	P&D Dept KP	Haripur, KP



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